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FINANCIAL TIMES

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EWS SUMMARY

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nternational Olympic ee decided yesterday to o immediate action 24 nations which have out of the Montreal n protest against New s sports' links with frica.

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ile, Boris Onischenko, ilver Medallist in the entathlon, has been dis- in the fencing section f what Olympic officials as a "fault" in his

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ile affair on

school managers and officials criticised by Report on the William inior school are to be . the controlling up on the Inner Lon- ion Authority's schools lee has decided — but hairman, Mr. Harvey ick Page

: battle

by Right-wing forces, by tanks, in yet l-out attempt to cap- beseiged Palestinian atar camp in south- rut, led to fierce hand- bting. Page 5

000 haul

lers wearing grotesque burst into a Regent ellers. Watches of l, last night, threat- l the staff unless they and got away with 000 worth of watches, cash.

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ret Jay, daughter of Callaghan, Prime to transfer her 10- ughter from a State £295-a-term private Paul's Girls School in th, West London.

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Stonehouse, English rty MP for Walsall is on remand in on, was refused per- an Old Bailey judge in to-day's Commons e guillotine motion

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bought ATV's film, ectations which is he Charles Dickens and Matters Page 14

of a thriller in which nin is assassinated delayed because of it might endanger ganda.

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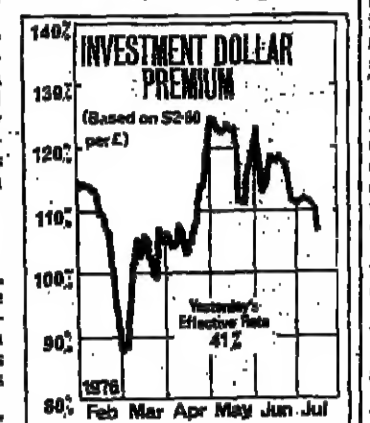
businessman was nto when lightning metal zip on his ile he was playing

BUSINESS

French franc drops further

● FRENCH FRANC fell almost 1 per cent. and closed at Frs.4.93 (Frs.4.88) against the dollar. For the first time it registered a weighted depreciation, of 0.25 per cent., compared with an 0.82 per cent. appreciation previously. Back Page. Sterling fell 15 points to $1.7745; its weighted depreciation narrowed to 38.8 (38.9) per cent. The dollar's narrowed to 1.79 (1.83) per cent.

● INVESTMENT Dollar Premium fell ⅜ to 106⅝ per cent.



based on $2.60 to the £, an effective rate of 41 per cent.

● GOLD fell $3⅝ to $113⅛.

● EQUITIES drifted downwards. The FT 30-share index lost 3.2 to 387.8, while the FT-Actuaries All-Share index was 0.5 per cent. down at 160.08.

● GILTS came under selling pressure at the short end of the market where falls ranged to ⅛. Mediums and longs, however, held steady. The Government Securities index lost 0.06 to 62.63.

● WALL STREET closed 2.38 down at 990.83.

£8.6m. write-off by Rothschild

● ROTHSCHILD Investment Trust has decided to write-off its £8.6m. investment in the Brussels Manhattan Centre complex. Its pre-tax profit for the year to March 31 rose to £3.24m. (£3.02m.). Back Page, Page 16 and Lex.

● RETAIL SALES rose 1 per cent. in June, according to provisional estimates. Back Page

● GOVERNMENT has announced pension increases worth 13.8 per cent. for more than 1m. retired public servants. Page 7

● EUROPEAN FERRIES' attempt to have the proposed take-over of Felixstowe by the British Transport Docks Board declared void was rejected in the High Court. Page 7

● BRITISH LEYLAND's plans to increase car output to 22,000 a week in August may be affected by unsettled strikes and disputes which look like extending the normal holiday period. Page 13

● MARITIME Fruit Carriers has made nearly half its London headquarters' staff, about 25 people, redundant.

● BANK OF ENGLAND has set aside another £14.3m. to cover possible losses on its loans under the "lifeboat" support operation for secondary banks. Page 7

COMPANIES

● RANK ORGANISATION has rejected Mr. Angus Ogilvy's offer to resign as a director. The group's pre-tax profit for the 28 weeks to May 15 rose to £32.78m. (£28.06m.), including results from companies jointly owned with the Xerox Corporation. Back Page, Page 17 and Lex

● MONTAGUE L. MEYER pre-tax profit for the year to March 31 increased to £8.18m. (£7.02m.). Directors say the current year has started well. Page 17 and Lex

RICE CHANGES YESTERDAY

nce unless otherwise ndicated)

RISES

ewery ...	34	+ 3
...	153	+ 13
...	198	+ 38
...	283	+ 6
ser ...	87	+ 3
n ...	32	+ 5
ton ...	52	+ 5
s ...	128	+ 5
ign ...	57	+ 16
nce ...	10	+ 2
...	290	+ 20

FALLS

5 1981 ...	£98¼	− ¾
s. ...	150	− 8
& W.) ..	155	− 4
...	107	− 3
...	116	− 3
iey ...	446	− 4
Hoechst ...	458	− 18
Huletts ...	146	− 14
Initial Services ...	56	− 3
Jardine Matheson ...	340	− 8
Johnson-Richards Tls.	204	− 16
Manbre & Garton ...	168	− 10
Philips' Lamp ...	886	− 20
Pilkington ...	323	− 5
Rank Org. ...	168	− 8
Reckitt & Colman ...	351	− 4
Regional Prop. 'A' ...	38	− 2½
Smith (W. H.) 'A' ...	338	− 4
Tiger Oats ...	440	− 20
U.K. Optical ...	163	− 4
Wallis (F. J.) ...	41	− 4
Anglo American ...	235	− 10
Anglo-Vaal ...	£10½	− ½
Buffels ...	640	− 60
Free State Geduld ...	925	− 100
President Brand ...	950	− 75
Rand Selection ...	420	− 30
Southvaal ...	350	− 30
Western Mining ...	188	− 7

Varley postpones decision again on two steel plants

BY ADRIAN HAMILTON

After 2½ years of delay in deciding on the British Steel Corporation's plans for future steelmaking at Port Talbot and Shotton in Wales, the Government has delayed the decision still further by asking the corporation for another review of its proposals.

The decision, which was greeted with "bitter disappointment" by BSC and mixed feelings in Wales, was announced to the House of Commons by Mr. Eric Varley, Industry Secretary, yesterday.

In his statement, Mr. Varley said that the Government, while prepared to sanction some £350m. of investment in processing and coke oven facilities at Port Talbot, was asking BSC to re-examine thoroughly its intentions of closing down steel-making at Shotton and doubling steel-making capacity at Port Talbot.

The processing facilities at Port Talbot included a new coke oven, which is required for environmental reasons, and new continuous casting plant (together costing £100m.) and a hot strip mill, costing £250m.

None of these facilities will raise steel-making capacity, however, and BSC has made clear that it does not like making this processing investment other than the coke oven without the added steel production.

No timetable has been put by the Department for the re-review, although the corporation is hoping to present its latest arguments and demand figures by September, before its chairman, Sir Monty Finiston, retires.

The Government's decision comes as a surprise in view of the general expectation that it would allow investment in Port Talbot even if it further delayed the decision on Shotton.

It follows 2½ years of Government consideration since the corporation first put forward its plans for the two plants in its ten-year strategy, and comes 17 months after Lord Beswick

Parliament Page 12
Editorial Comment Page 14

decided to delay the decision for further review.

The Government's deliberations have been complicated by the intense local feeling and inter-community rivalry surrounding the plan to shut down steel-making at Shotton in favour of building a new blast furnace to double capacity at the coastal site of Port Talbot.

At the same time, costs have increased rapidly on the Port Talbot project to about £580m. to-day while demand forecasts have also changed in the light of the recession. In asking for a review, the Government is arguing that further steel-making capacity may not be required in the light of lower demand forecasts.

But the decision has apparently been taken against the advice of some of the senior civil servants in the Industry Department and against the fierce opposition of BSC itself.

Sir Monty made it clear yesterday that he could find no fundamental reason for seeking a further review of BSC's forecasts.

Nor could he see the economic sense in going ahead with a strip mill facility, originally planned on the basis of a doubling of steel-making capacity to 6m. tonnes at Port Talbot, on the basis of a continued output of 3m. tonnes from the old facilities.

The decision, he said, was a "disappointment to myself; to Port Talbot workers, who had agreed a plan for operating the plant most advantageous to the corporation; to the workers of Shotton, who remain in uncertainty; and to the corporation, which had decided that the plan was in the best interests of steel-making in the country."

BSC had for some time made it clear to the Government that it was prepared to separate the issues of Shotton and Port Talbot, keeping open the decision on future steel-making at the former plant while going ahead with Port Talbot.

Nevertheless, he promised that

Continued on Back Page

Shell pegs petrol price after increases by rivals

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL IS to peg the price of petrol in a bid to increase its market share. The decision, which follows price rises by some of its main competitors, is the latest, surprising manoeuvre in the forecourt price war.

The oil industry had been expecting a general upward movement in petrol prices following the latest round of oil company applications to the Price Commission. Esso and Mobil have already announced rises of 1p to 1.3p on the wholesale price of petrol bringing four-star prices to 79p or 80p per gallon in many parts of the country.

Other companies were expected to follow suit. British Petroleum, the third of the "big three," is likely to announce its plans to-day although the Shell decision may well have caused BP to review its position.

Shell, with 7,000 filling stations, has a 19.5 per cent. share of the retail market, neck-and-neck with Esso. The group said yesterday that it was pegging petrol prices "for competitive reasons."

"We hope that our decision will be reflected in the price that dealers will charge and that this will give them a marketing edge."

Shell is raising the price of other products, however. Derv, gas oil and diesel oil will be 1p per gallon dearer from to-day while fuel oil will rise by 1½p per gallon.

The prices of Shell domestic heating oils and paraffin are also being maintained as part of the group's voluntary undertaking to the Department of Prices and Consumer Protection to co-operate in the "Price Check" scheme.

Recent recovery

Shell did not apply for an increase in petrol prices which means that if it does decide to follow the lead of the others it will have to wait at least 28 days. Other companies maintain that under the Price Code they could have justified even bigger increases than those proposed.

Since the last price application at the end of last year, the oil industry has faced an increase of more than £350m. in the cost of its crude oil imports as a result of the falling value of sterling. Shell pointed out that a fall of one cent in the pound-dollar rate resulted in the group having to find an extra £6m. a year.

Shell, in explaining its marketing tactic, said that since 1973 oil price rises had been heavily weighted on the petrol sector. This had distorted the competitive situation in the market.

"We are not too sure if the market generally can bear another price increase." Those opting for price rises point to the recent recovery in the petrol sector, however. Unlike 1974 and 1975, when sales dropped by an average of 2.5 per cent. a year, the petrol market has been recovering so far this year. The latest Institute of Petroleum statistics show that petrol deliveries rose by 5.6 per cent. in the first quarter of this year.

Significantly, sales of four star petrol—the biggest seller—increased by 12.3 per cent. Intense price cutting in many parts of the country combined with continued fine weather have contributed to this market recovery.

Shell's apparent decision to adopt a different pricing stance from its competitors confirms its promise that following the break-up of the Shell-Mex and BP marketing organisation last year, it would—like BP Oil—adopt aggressive marketing tactics.

France rebukes Schmidt over remarks on aid to Italy

BY RUPERT CORNWELL IN PARIS AND ADRIAN DICKS IN BONN

THE ROW caused by the remarks by Herr Helmut Schmidt, the West German Chancellor, over aid to Italy grew to-day into a public slanging match between Bonn and other European capitals, notably Paris.

In Bonn the government said Herr Schmidt stood by his statement that the major Western nations—the U.S., Britain, France and Germany—had agreed at the Puerto Rico summit that a condition of any further economic aid to Italy would be exclusion of the Communists from government.

In Paris, President Giscard d'Estaing broke 48 hours of embarrassed silence to rebuke Herr Schmidt, publicly for his remarks.

In Italy the chorus of protest continued, while in Holland, which this year is president of the EEC Council of Ministers, officials were arguing that the West German Chancellor's remarks provided further ammunition for the abolition of elitist summit meetings which the smaller EEC states regard with suspicion.

The West German Government expressed "astonishment" at the criticisms made in Italy itself of Herr Schmidt's refusal to countenance financial aid to any government containing Communists.

The Bonn Government spokesman, Dr. Armin Gruenewald, said that at the Puerto Rico meeting other heads of western Governments present fully shared Herr Schmidt's view.

There had been general agreement that aid to Italy or to any other country in difficulties should be multilateral, and conditional on the receiving country taking appropriate domestic measures.

Although there could be no question of meddling in domestic Italian affairs, the statement concluded, formation of a new Government in Italy should be carried out with "the greatest possible clarity" over the terms on which further aid might be available from abroad.

Despite this defiant tone, there has been no mistaking the embarrassment caused in Bonn by Herr Schmidt's remarks in Washington. Many Germans feel the Chancellor's timing as unhelpful as it could possibly have been to a fellow Community Government.

A common conclusion has been that Herr Schmidt's latest burst of anti-Communism was merely a shot in the election campaign.

The disclaimer from the Elysee Palace spokesman M. Xavier Gouyou-Beauchamps came at his regular briefing. France, he said, disapproved of foreign statements on the internal affairs of a partner country.

In any case, Italy had so far made no request for such assistance. Should it be asked for, France woud examine the situation with other countries before deciding in its own interest and in Europe's.

The stand taken by President Giscard is, however, less clear-cut than it first appears, and reflects his keenness to keep all options open until the key Parliamentary elections in France in 1978, which the Left on present trends could well win.

At no point did the spokesman deny that an agreement had been reached by France, Britain, West Germany and the U.S. at last month's summit.

Guy de Jonquieres reports from Brussels: Britain's Foreign Secretary, Mr. Anthony Crosland, flatly denied that the U.K. had entered into any agreement with Germany and France.

He told journalists during a meeting of EEC Foreign Ministers that the British government was "very surprised" at reports that Chancellor Schmidt had disclosed such an agreement. The British Government's position was "absolute non-interference" in Italian affairs.

£ in New York

—	July 19	Previous
Spot	$1.7745-1.7765	$1.7730-7745
1 month	1.36-1.31 dis	1.30-1.25 dis
3 months	3.42-3.37 dis	3.47-3.42 dis
12 months	10.77-10.67 dis	10.80-10.70

Selling pushes gold down $3⅝

By Colin Millham

SELLING OF gold continued in the London bullion market yesterday; and the metal lost another $3⅝ to close at $113⅛.

This is the lowest level touched since the end of December 1973 and reflects the steady selling pressure which has built up since the gold auction held by the International Monetary Fund last week.

Initial reaction to the auction appeared favourable and the IMF was reported to be generally pleased with the result. The 780,000 ounces on offer were heavily oversubscribed and were sold at a common price of $122.05.

Before the result was announced, the free market price was around $122¼, so that the metal has fallen by $9 over the last three trading days.

The auction was the second to be held by the IMF and speculators may have been encouraged to enter the market over the last few weeks because of the confidence that was generated by the first auction on June 2. At that time a price of $126 was realised and this was followed by a rise in the market price to $127.40 on June 8.

The buying before the second auction may therefore have reflected hopes—now disappointed—of a similar rise this month.

Last August the IMF decided to dispose of one-sixth of its gold holdings (25m. ounces) through a series of 16 auctions, but any continued fall in the value of the metal may put future auctions in doubt.

A continued steady disposal of gold by the Fund is likely to have a depressing effect, since recent industrial and hoarding demand has not been sufficient to absorb sales by the producers.

South Africa is known to be concerned about the effect on its foreign reserves of the decline in the gold price. The FT gold-mines index lost a further 6.2 points to 115.8 yesterday.

The identity of the bidders at the last auction has not been disclosed, but it is known that 21 per cent. of the June auction was taken up by the Bank for International Settlements, and that France was among the countries which did increase its gold reserves.

Foreign exchange dealers were suggesting yesterday that a contributory factor in the weakness of the French franc may be the decline in the value of France's gold stocks over recent months. About 18 months ago the metal almost touched the $200 an ounce mark and it was at around $140 at the beginning of this year.

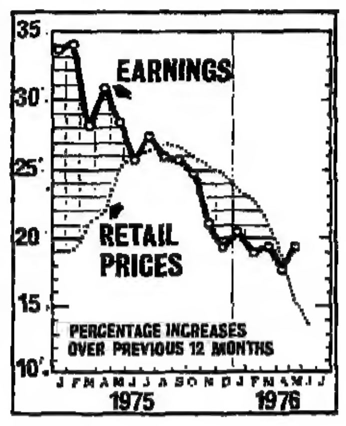
Franc falls, Back Page
South African reserves, Page 5

Earnings rise faster than cost of living

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

EARNINGS are rising faster on an annual basis than the cost of living for the first time since the introduction of the £6 pay policy last summer.

In the year to May, average earnings increased 19.4 per cent. compared with a 15.4 per cent. rise in the Retail Price Index.



But after the tight squeeze on real earnings earlier in the year this relief could be only temporary. It is partly a statistical quirk caused by the differing paths of the two indices.

The RPI increase has slowed down sharply on a year-on-year basis in the last few months, but is expected to be fairly stable until the end of the year. The earnings increases have been steady for most of 1976 but are likely to show a lower rate of rise by the time the July figures are available. Comparison will be with a very large monthly increase a year ago

This is suggested by the recent underlying trends. Earnings have been rising between 13 and 14 per cent.—taking the last six months' increase at an annual rate. The cost of living (excluding seasonal foods) has been rising between 12½ and 13½ per cent. on a similar basis.

Average earnings rose 2.4 per cent in May to 260.0 (January, 1970=100) so the year-on-year increase was slightly higher than in April. But this is not regarded as of any particular significance since it follows a freak fall in earnings in April after distortions to the seasonal adjustment caused by the timing of Easter. The big May jump could reflect a slight change in the pattern of settlements.

Earnings have risen 12.3 per cent. since the beginning of the first stage of the pay policy and are reckoned to be on target for a rise of between 14 per cent. and 15 per cent. by the end of July. This is a point or two above the original target because of changes in overtime and short-time working and the belated impact of settlements.

It is clear that the economic recovery is now affecting earnings. Since last July extra overtime has added between three-quarters of a point and a point to the rise.

Increased working hours and drift are likely to be much more important in the second stage of the policy. The latest official forecast of a 7½ per cent. earnings rise in the year to July 1977 includes about three points from these sources. This could be higher depending on the rate and pattern of recovery.

There is little doubt, however, that living standards will continue to be squeezed in the next year. Real personal disposable income is officially expected to fall 2 to 2½ per cent. in the next 18 months.

Meanwhile, with the approach of the end of the first stage more than 10½m. people have accepted £6 a week or less.

The year-on-year increase in basic wage rates has continued to fall—down to 17.7 per cent. in the 12 months to June compared with 19.4 per cent. in the year to May.

FEATURES

ON OTHER PAGES

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Cuts psychology —an alternative

BY C. GORDON TETHER

THERE IS something disconcertingly reminiscent of the great British economic rumpus of 1931—not least because it shows how the most important lessons often go unlearned—in the controversy now raging round the Government's plan to cut back expenditure in order to achieve a reduction in the public sector deficit.

Then, too, it was contended that a major economy drive provided the only way of making good the damage inflicted on overseas confidence in sterling by its recent fall from grace. And while it is true that the official decision to accept this line of argument at that time admirably succeeded in serving this purpose—within a couple of years or so the pound's dollar value was higher than it had been beforehand—it is also the case that it greatly intensified recessionary forces already at work in the home economy.

The result was that unemployment soared to record levels.

There are, of course, important differences between the setting in which the 1931 controversy took place and the present one. But there are, too, enough similarities to make it a matter for considerable satisfaction that the Department of Applied Economics at Cambridge has injected a much-needed breath of fresh air into the present battle by suggesting that the best hope of eliminating the public sector deficit lies in adopting policies calculated to reduce the level of unemployment rather than increase it.

Vital points

In its chapter and verse elucidation of this proposition, the Department's report makes two vital points that have not received nearly as much attention as they deserve in the current debate. One is that a significant part of the explanation for the worrying extent of our present public sector deficit is to be found in the impact on the official expenditure-revenue relationship of the economic slow-down that the Government's policy of economic restraint has induced. Indeed, the study puts this unwanted contribution at no less that £3½-3¾bn.

The other point it makes—a logical extension of the first—is that an economic policy that saw its first priority as a reduction in unemployment to a level of 650,000 could provide much of the answer to the problem of the public sector deficit en route. Indeed, it argues that it could actually dispose of it entirely within three or four years—and do so, moreover, without any help from cuts in public spending or increases in tax rates beyond present levels.

Clearly this method of tackling the public sector deficit has a great deal to be said for it over and above the fact that it avoids running the risk of repeating—if in somewhat less frightening form—the fundamental mistake that was made more than 40 years ago. For, in the longer run, there can be no way of providing a satisfactory solution to any of Britain's economic problems unless production is allowed to grow at a reasonable pace.

Moreover, there should be no great difficulty, even in the short run, in persuading the outside world that a rejection of the "cuts psychology" was not inimical to the interests of the £ if a major effort was made to demonstrate how much more effective an alternative approach based on eliminating unnecessary unemployment was likely to be in putting the country back on its feet.

Reminded

As the Cambridge report points out, Britain has been doing rather better than most other Western European countries over the past decade in restraining the growth of public expenditure and taxation in relation to the Gross National Product.

It may well be that an attack on public sector deficit excessess hinged on getting unemployment down from its present excessive levels would require what the Cambridge report calls a "colossal increase" in net exports to keep the balance of payments in good shape. But, to the extent that this could not be realised by enlarging our sales abroad—and that might not be easy given the intensity with which other countries are now fighting to retain their markets—it could be achieved by imposing suitable restraints on imports.

Nor should we be deterred by talk of foreign retaliation from making use of this device to extricate ourselves from our present straits in a manner least likely to penalise the home side. Since our present distress arises in no small measure from international monetary turbulence, the rest of the world is under a certain obligation to indulge our special rehabilitation requirements. And, if it is loth to recognise this, it can always be reminded that it stands to lose just as much from a continuation of sterling turmoil as we do ourselves.

RACING BY DOMINIC WIGAN

Fife and Drum strides out

DICK HERN rarely sends runners on the long haul north to Ayr, which involves a 900-mile round trip from West Ilsley, and it seems significant that he runs four for the Queen there to-day.

It will be disappointing if the quartet — *Christchurch, Ground Work, Fife and Drum* and *Chain of Reasoning*—does not yield at least two winners for the Queen, her trainer and Joe Mercer.

In the principal event of the afternoon, the Strathclyde Stakes, which carries £5,000 in added prize money, the combination relies on the previously unraced Fife and Drum.

This bay colt is by Queen's Hussar out of Heathfield, who has already produced Ascot Heath, a high class performer in France two years ago, and the smart but disappointing Crofting.

Fife and Drum has been striding out particularly well in recent work at West Ilsley, and I take him to make a winning debut at the main expense of La Ville de Rire, who can confirm recent Newcastle superiority over Stab, despite being 11 lb worse off.

Christchurch, among the runners for the Kirkoswald Stakes, has been improving steadily in recent weeks and on her last appearance this half-sister to 1,000 Guineas and

AYR
2.30—Africa Star
3.00—Ground Work
3.30—Wigeon
4.00—Du Maurier**
4.30—Fife and Drum
5.00—Chain of Reasoning***

FOLKESTONE
1.45—Rushley Bay
2.15—Glimmer*
2.45—Destino
3.15—Collaborator
3.45—Ginger
4.15—Fly High

French Oaks winner Highclere, defeated Cairnfold with a fair amount in hand at Wolverhampton.

That was a useful performance, but I doubt if the form matches up to that shown by Du Maurier, who followed up a 3-lengths Newmarket success over Fools Rush In by justifying prohibitive odds with a minimum of fuss at Ripon on Saturday. Du Maurier is given a reasonably confident vote.

Ground Work, who made a winning re-appearance when defeating Love Story (a winner here yesterday) by 1½ lengths at Newcastle in spite of meeting with interference, can follow up in the Soutar Johnnie Handicap. The luckless Chain of Reasoning appeals as a safe "getting out" bet for the Alloway Stakes.

Looking ahead to Saturday's King George VI and Queen Elizabeth Diamond Stakes which promises, yet again, to be the most memorable race of the European flat racing campaign. Youth now seems assured of favouritism.

Mr. Nelson Bunker Hunt's French Derby winner has been steadily backed with Ladbrokes from an opening quote of 9-4 to 7-4. He is in their list ahead of Pawneese (9-4) Malacate (4-1) Orange Bay (5-1) and Ashmore (7-1). Bruni, who will go only if there is an appreciable easing in ground conditions, is offered at 9-2 with a run.

SALEROOM BY ANTONY THORNCROFT

Japanese bowl tops £20,000

IN recent weeks Christie's has held a series of sales which have attempted to widen the appeal of Japanese works of art. On occasions the extent of the supply has overwhelmed the demand, but yesterday's final Japanese sale of the season went well, with a total of £92,732, and the prize lot selling nicely at the top of its forecast for £20,000.

This Japanese bowl fetched £20,000.

It was an early 18th century Kakiemon circular bowl, 31 centimeters in diameter, and it was bought by the London dealer Shirley Day, who will have to pay a further 10 per cent. in buyer's commission. The price is among the highest ever paid at auction for a piece of Japanese ceramics.

All the other top lots sold well. A rectangular 19th century lacquer hasamibako (chest) went to Woods Wilson for £4,200 while Fugendo, one of the many Japanese dealers present, gave £1,900 for a small 17th century Kakiemon jar of globular shape. A large Chinese rectangular rosewood cabinet on stands inlaid in shibayama, of the Meuji period, made £1,800 and the Victoria and Albert Museum paid £680 for an early 6th century pottery jar.

Christies also held a minor English pottery and porcelain auction which totalled £22,798, with a pair of Wedgwood and Bentley black basalt ewers going for £1,100 and a black basalt bust of the Dutch worthy Boerhave, from the same makers, sold to the Boerhave Museum in Leiden for £1,000.

Sothebys is holding a two day auction of books, letters and documents which on the first day produced a good £61,410. Traylen, the Guildford dealers, gave £3,000 (plus the 10 per cent.) for a very early 1480 book by Otto von Passau printed at Augsburg with 26 woodcut illustrations.

FILM AND VIDEO BY JOHN CHITTOCK

Few have it taped

ENCOURAGED BY earlier successes, the Institute of Chartered Accountants (ICA) last week launched a substantial series of audio-visual packages for training and further education purposes. The material covers in-house training for a five-day course on basic bookkeeping, eight videocassettes and associated material on practical auditing, and a similar series on accounting standards. There is also a series of audiocassettes for practising accountants needing to update themselves on subjects such as the Social Security and Pensions Act, 1975, and latest case histories in tax law.

This project is significant because it exemplifies the burgeoning interest in using audio-visual media for specialist information. As an ICA spokesman said last week, live courses for students and accountants cannot always be in the right place at the right time (nor can the expert lecturers), and few firms that carry out in-house training can originate their own material to a sophisticated standard.

When the accountants of Britain make a significant investment in audio-visual media, and in videocassettes especially, these new communication tools have clearly passed the ultimate test of cost-effectiveness. It is also pleasant to be able to record that the small sample demonstrated by the ICA last week was excellent stuff—the videocassettes fit for comparison with the best of any BBC Further Education programme.

Play back

Indeed, what is happening is that minority interest television is becoming a growth industry—not via broadcasting for a few hours a week at unpopular times, but through independently produced videocassettes that viewers can play back whenever and wherever they like. The concept of TV as a mass medium is being eroded—not only for viewers, but for advertisers, too.

For advertisers, the concept changes in Britain next month when some 2,500 medical viewers will receive the first of a monthly videocassette programme on developments in medicine. Modelled on a similar and successful operation in France called Mediscope, the U.K. service is now to be known as the Video Journal of Medicine. It is not strictly the first in Britain—an earlier scheme for dentists was launched last year under the name of Infodent.

The Video Journal of Medicine brings to its doctor viewers, however, an exceptionally high standard of production with evidence of much care in researching content as well as putting it on to the screen (using two-inch broadcast standard videotape for the recording work). Each one-hour programme contains five editorial items and five breaks for advertising spots—the first TV commercials devoted to ethical pharmaceutical products, and accordingly endowed with the less vulgar description of "product information spots."

Subscribers receive one videocassette per month (on loan or purchase) and the value of advance bookings for product information spots already runs into six figures—with one big pharmaceutical company, Merck, Sharp and Dohme, signed on for eight months in advance and 11 other large companies among the first bookers. Subscribers are individual GPs, group practices and post-graduate centres, and audiences will thus range from one up to a dozen or more people at each screening.

Videocassette equipment is being offered on hire for those requiring it, but surprisingly 140 of the 350 post-graduate centres are already equipped with their own VCRs of the Philips format, a standard now adopted for all such centres.

The idea seems a likely winner because doctors are under increasing pressure to continue their further education, especially GPs who can alleviate demands on hospitals if their front line role is effective. Within the health service there are also financial incentives for doctors to keep abreast of new information, and a monthly TV programme could hardly be a more demonstrative and convenient way of absorbing it. The first issue of the Video Journal of Medicine contains, for example, an item on deafness in children, a demonstration of the fitting of inter-uterine devices, and an on-the-spot commentary by a surgeon carrying out an unusual type of open heart operation. There can be no more effective way of passing on this kind of information.

Despite this innovation, a film-based scheme using a similar concept has been running successfully in the U.K. now for over 10 years—Architectural Newsreel—demonstrating again that specialist information will always find an eager audience if it is of acceptable quality. In the case of Architectural Newsreel, the emphasis is placed on achieving for each issue of the newsreel a minimum of 1,000 screenings to architects and materials specifiers: the audience pay nothing for their film show, which is brought to them in their own office, and the system is structured to provide the clients who book screen time with maximum feedback from the audience—which averages 11 people per showing.

Participants in Architectural Newsreel are thus guaranteed an audience of up to 11,000 people in the building and construction business — ranging from small private architect practices to large local authorities.

Component fit

Each 30-minute issue of the newsreel contains one "editorial" story and five product documentaries. For example, number 26 carried a Department of Environment film about achieving greater accuracy of fit in component building, and product films about aluminium windows (Aluminium Window Association), choice of glass (Pilkington Brothers), hard floor coverings (James Halstead), and lighting design (Philips Electrical). This issue was shown in 1,029 offices to just over 10,000 design staff—and the clients received back completed voucher cards evaluating each screening.

Such schemes depend upon the information presented being of high quality and genuine usefulness to the audience. Minority groups have been passed by for too long by the programme makers and television broadcasters, and their thirst for specialised material is undoubtedly there if what is offered is refreshing and edifying. Such needs are compatible with advertisers if they are intelligent and adult about their programming.

Private networks of this type seem certain to expand in the future, perhaps increasingly based on videocassettes as more companies and organisations purchase their own equipment. It augurs well for the audio-visual industry—with minority interests providing a mass market for its products.

TV Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 12.30 p.m. Olympic Grandstand. 1.30 Andy Pandy. 1.45 News. 2.00 Olympic Grandstand (3.35-3.45 First pictures of surface of Mars). 4.25 Play School. 4.50 Animal Magic. 5.15 Lippy Lion and his friends Touché Turtle and Wally Gator (cartoon series). 5.40 Barbapapa.
5.45 News
6.00 Nationwide (London only)
6.15 Olympic Report
7.20 The Undersea World of Jacques Cousteau
8.10 Sutherland's Law
9.00 News
9.25 Olympic Grandstand including 11.15 News Headlines.

All Regions as BBC—1 except at the following times:

WALES—5.15-5.40 p.m. Heddiw. 6.00-6.15 Wales To-day. 11.15 News and Weather for Wales.

SCOTLAND—9.40 a.m. Dastardly and Muttley (cartoon). 9.50 Jackanory. 10.05 Devlin. 10.30 Roobarb. 10.35-11.00 Boy from Lapland. 6.00-6.15 p.m. Reporting Scotland. 11.15 News summary and weather for Scotland.

NORTHERN IRELAND — 6.00-6.15 p.m. Scene Around Six. 11.15 News Headlines and Weather for Northern Ireland.

ENGLAND—6.00-6.15 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University
11.00 Play School
6.55 p.m. Industrial Film Successes
7.20 News on 2
7.30 Rembrandt
8.00 Chronicle
9.00 Tuesday Cinema: "A Separate Peace"
10.40 Johnny Mathis in Concert
11.15 Newsnight
11.35-11.40 Music at Night: Peter Frankl plays Chopin

LONDON

†9.45 a.m. Bertrand Russell Speaks his Mind. 10.00 Angling To-day. 10.25 Cricket in the Middle. 10.50 Meet Betty Boop. †11.00 The Saint. 11.50 Larry the Lamb. 12.00 Paperplay. 12.10 p.m. Rainbow. 12.30 A Place in Europe: "France — Vaux-le-Vicomte." 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Marked Personal. 2.00 Good Afternoon. 2.30 Whicker's World. 3.25 The Big Valley. 4.25 The Swiss Family Robinson. 4.50 Magpie 5.20 Harriet
5.50 News from ITN
6.00 To-day
6.40 Crossroads
7.05 Husband of the Year '76
7.35 Tuesday Film Premiere: "Where Have All the People Gone?"
9.00 Hunters Walk
10.00 News
10.40 Command Performance
11.55 Special Branch

All ITV Regions as London except at the following times:

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Paul Burnett with the Radio 1 Roadshow from North Foreshore, Largs. 12.30 p.m. Newsbeat. 12.45 Simon Bates including this week's new Top 30 discs. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2) (10.00-12.00 as VHF). 11.00 John Peel (S) (also on VHF). 12.00-2.33 a.m. As Radio 2.

RADIO 2 1,500m and VHF

RADIO 3 464m, Stereo & VHF

RADIO 4

London Broadcasting

Capital Radio

BBC Radio London

F.T. CROSSWORD PUZZLE No. 3,135

Across

1 An expert, if in condition, has the advantage (6)
4 "For I am armed so—in honesty" (J.C.) (6)
8 Despatch about a hint of salary (7)
9 I'm returning to St Andrew's with the girl (7)
11 One supporting Common Market principles or just a smuggler? (4, 6)
12 One at the front was terrible (4)
13 The ox is in good surroundings (5)
14 Take a drink to dull your sorrow (8)
16 The latest expression heralding the school-leaver (4, 4)
18 River in East Iberia (5)
20 A street one must follow in an Italian city (4)
21 "Tomorrow to—and pastures new" (Milton) (5, 5)
23 The red jalopy belongs to me (7)
24 Encomia to build in addition (7)
25 Haughty, like Jael's dish (6)
26 Sayings for generations to notice (6)

Down

1 Father to Caesar (5)
2 Musically connected with the underworld (7)
3 Lack of knowledge upsets one racing (9)
5 He does his best in the German town (5)
6 Not a real triumph, but there is plenty of applause (7)
7 A sponsor, relatively speaking (9)
10 We have not even to reckon an extra item (3, 6)
13 V.I.P.'s dance? Uncle wants a couple more (5, 4)
15 Drastic anti-communist action suggested by Joe Davis (3, 3, 3)
17 Decoration in 5 is comparatively neat (7)
19 Crooner, including cartoonist, is out of breath (7)
21 Alf in turn is decisive (5)
22 Prepare a letter to the doctor (5)

Solution to Puzzle No. 3,134

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

THEATRES

CONTINUED ON PAGE 6

ndebourne

Le nozze di Figaro

by MAX LOPPERT

lmost complete change of als and the return of John rd as conductor, brought ter Hall production of s opera under admiring y yet again. Sunday's per- ce, in itself very fine es vintage Glyndebourne n in the run. Though s particular illumination well-matched and con- strengths of its Figaro unt, we must first return sing Mr. Pritchard's con- , which was, at its best, rb vitality. Rhythms were : the orchestral pallete lear and subtle, the c direction urgently for- oving yet never hard-

verything was at its best. le seemed at times pre- though this often ied the feeling of copic emotions, quickly d and reflected, almost k for comprehension. I ver heard the long first- e charged with such force new entrance accumulat- e musical energy, to a sting point which was lly staved off. (A pity e Csengery, Susanna as first series described in lumns, by David Murray, pletely smudged her a" runs.)

is Samuel Ramey, mak- British debut, and the Michael Devlin, already ar Glyndebourne asset. young American based- s of uncommon polish e resource. Mr. Ramey, hter nimbler presence, to discover the dark, nicism of Figaro's gar- : elsewhere, quick recep- rp on his toes, he cut too youthful a figure to be altogether credible as the erstwhile "factotum della città." But his singing was everywhere of exceptional beauty—a treat indeed to hear Figaro's arias delivered with such smooth, even tone mellifluous but never ponderous, and to follow the bottom line of the ensembles as it was shaped with an almost instrumental fluency.

Both he and Mr. Devlin share an idiomatic command of Italian, particularly in recitative, not equalled elsewhere in the cast except by Ugo Trama's Bartolo. It is a particular virtue of the production that we want to follow the text; Figaro and the Count encouraged us to. To this gift, Mr. Devlin adds a lean, muscular vigour, dashing and dangerous, that achieve a remarkably attractive and convincing portrayal.

Indeed, all the principals of this *Figaro* are young and good-looking, and their sexual tangles notably pointed and intense in consequence. Delia Wallis, the new Cherubino, sang "voi che sapete" with such quiet ardour that she should take the audience's failure to greet it with immediate applause as the highest compliment—we were still too much immersed in the unspoken courtship of the Countess it betokened. In this company, the Countess of Helena Döse is the only disappointment: there is cream in the voice and the looks, but musical and verbal carelessness and dramatic superficiality rob the gifts of fullness. Altogether, however, a memorable performance—how reassuring, after the sad want of musical sensitivity evinced by Glyndebourne's *Falstaff*, to find that very quality triumphant in *Figaro*.

fber in 'Diversion of Angels' which was one of the ballets ed by the Martha Graham Dance Company at Covent Garden last night

V & A

Towards Independence

by DENYS SUTTON, Editor of Apollo

The celebrations held in this country to honour the bicentenary of American independence have come at a significant time in the history of the West, when the concept of freedom is being constantly eroded and when the grave-diggers, to use the acid expression Pertinax applied to the appeasers of the 1930s, are constantly at work. It is, in fact, a rather eerie experience to visit the exhibition of American art at the Victoria and Albert Museum, for it presents the setting of a society which produced men such as Franklin, Jefferson, Gouverneur Morris and Washington, who put liberty above all else and were notable examples of the Enlightenment.

The exhibition, which has been carefully selected, provides an excellent survey of the decorative arts and painting of the period 1750-1800 and this offers a welcome opportunity for the English public to know more about a school, which, as far as painting is concerned, was to develop into the most important one in the nineteenth century, after the French.

The exhibition has been clearly laid out and is not overcrowded, although contemplation of the works in it is disturbed by the noise created by the didactic side show, which should have been mounted elsewhere.

The historian of the decorative arts will be especially fascinated by the way in which many of the pieces are related to English prototypes. This is true not only of the furniture but also of the ceramics and it is hard for the expert to distinguish the blue-and-white porcelain made at the Philadelphia factory of Bonnin and Morris from that produced in England. However, England was by no means the only influence evident in America at that time, as is shown by a German-type chest in the show.

The bulk of the work on view was done for well-off clients. Some of the most considerable achievements were due to the silversmiths, notably Paul Revere of Boston, who was an accomplished exponent of the Rococo. Distinct individuality also distinguishes the textiles which are usually charming and imaginative, especially the bed hanging of about 1745 which was embroidered by Mary Bulman.

It is now many years since the great exhibition of American painting was held at the Tate Gallery and since then the subject has formed the theme of intensive study, which may be grasped from the bibliography in John Wilmerding's new Pelican history of American painting. The Victoria and Albert exhibition does not aim at providing more than a synoptic view of the subject but it contains some highly important pictures and presents the main currents.

During the fifty years covered in the exhibition the main connection, obviously, was with England and painters such as John Smibert who arrived in 1725 gave an impetus to local painting. Although Smibert, Robert Feke and Samuel King have their virtues, it was only with painters such as Benjamin West and Copley that American painting became more international. Both men worked in London and both became exponents of the new style of history painting, introducing a greater realism into their compositions. The former was one of the leaders of neo-classicism in England. Copley's ability and psychological grasp were notable and are shown in his famous *Death of Chatham* which has recently been cleaned and his brilliance in planning an intricate composition is made more than ever apparent. Copley was a major master of his time.

Gilbert Stuart: Matilda Stoughton de Jaudenes

However, the show also serves to enhance the stature of Gilbert Stuart. His impressive full length *The Skater* indicated that he was able to absorb the influence of Gainsborough and preserve his individuality. The *Portrait of Mrs. Yates* is a remarkable study of character in which the pose—arrested in movement—is captured with shrewd observation. Two of his most lively portraits of the Spanish chargé d'affaires in Philadelphia and his wife, a Bostonian beauty whose head-dress would have captivated Fuseli. These portraits, which were acquired for the Metropolitan Museum, New York, when Fry was curator of painting, date from 1794 and that of the man bears a resemblance to Goya, due no doubt to the costume.

The exhibition includes two boldly painted scenes of the War of Independence by John Trumbull, an enchanting still life by John Johnson and Vanderlyn's *Marius amidst the ruins of Carthage*. Vanderlyn, who was a protogée of Aaron Burr, studied under Vincent in Paris, and it was the opening of a new chapter in American art. From then on, the relationship between American artists and France was to be a close one, and painters such as Mary Cassatt, Whistler and Sargent, to mention only a few, owed much to Paris, and American collectors were to be among the first to appreciate modern French art, David, the Barbizon School, the Impressionists and so on.

Whistler went to Paris as a young man and spent a number of years there in the 1890s, living in the Rue du Bac. As a tribute to the Bicentenary, an exhibition of his graphic work is being held at Agnew's, which will go on to the Walker Art Gallery, Liverpool and the Glasgow Art Gallery. The aim of the show is to present Whistler's prints of London, Liverpool, Venice and Amsterdam.

Although the show contains many fine items and is worth seeing, it is overcrowded and badly hung and the exclusion of the lithographs and etchings of Paris seems inexcusable. The catalogue is interesting for it contains extracts from Whistler's correspondence, but the preface lacks sparkle.

Bishopsgate Hall

Paul Crossley

by DOMINIC GILL

It was a rewarding experience at lunchtime every day last week hearing in succession five young pianists from five countries—a series presented jointly by the City of London Festival with the City Music Society. Stimulating above all to be reminded how radically the very quality and timbre of one piano (an old but distinguished instrument, Myra Hess's Steinway) can alter at the touch of five different pairs of hands: Schiff from Hungary, and Zacharias from Germany, both of whom spoke from their very first chord in accents of unmistakable weight and authority, and made use of the widest possible range of colour in even the simplest, barest texture; Rogé from France, delicate and clean, but in sound as well as gesture, a shade unadventurous, as yet unformed; Brons from Holland, blurred.

The last pianist of the series of Friday, Paul Crossley, was also the best-known and most firmly established of the five. He opened his programme with a grandly spacious account of César Franck's *Prélude, Chorale et Fugue*—some of the biggest climaxes may have lacked the electric Lisztian presence of the Liszt performances themselves later in his recital: but it was an impressive beginning, strongly shaped and detailed, delivered with fine energy. Crossley is by now a familiar champion of the three Tippett piano sonatas. His performance of the sonata No. 2, given with admirable concentration and zest, still failed to discover a piece substantially more than a sequence of attractive "bits," elaborated at the keyboard, then strung together—with sensitivity and charm, but strung nonetheless, rather than (as the manner would have one believe) closely worked or focused.

Do greater claims for the music really need to be made?

The other centrepiece of his programme, besides the Tippett, was the set of *Valses poéticos* by Granados—a delicious sequence of Spanish *Papillons*, new to me, and eminently worthy of such fresh and sparkling revival as Crossley gave them: playing which caught, and held, just the right blend of salon sweetness with fresh breezes and bright outdoor colour. He ended with two Liszt Transcendental Studies—loose-limbed, fulminant, splendidly sexy performances both, his *Ricordanza* especially a feast of flame and fine, precise bombast.

Lorin Maazel joins CBS

Lorin Maazel has joined CBS's roster of international conductors. He has signed a three-year contract to record in London, mainly with the New Philharmonia Orchestra, and in Cleveland; this brings a return to the CBS label of the great orchestra for so long associated with this record company under the late George Szell.

Mr. Maazel is recording two operas in London this summer, Puccini's *Suor Angelica*, with Renata Scotto as Suor Angelica, Marilyn Horne and Ileana Cotrubas, and the New Philharmonia and *Gianni Schicchi* with Tito Gobbi, Ileana Cotrubas and Placido Domingo and the London Symphony Orchestra.

Maazel's next recording in London will be Brahms' *German Requiem* which will take place early in December with the New Philharmonia Orchestra and Chorus. The soloists will be Ileana Cotrubas and Hermann Prey.

Lansing Bagnall to sponsor brass band festival

Lansing Bagnall is to sponsor a new one-day annual brass band festival which will take place at the company's Basingstoke premises on Saturday April 30, 1977. Director of the event is Mr. T. H. Gomersall, who is the company's divisional director of personnel as well as being well known as a brass band player and conductor.

The rules of the National Brass Band Registry will apply and there are two classes within the festival. The open challenge contest is for all classes and has a first prize of £500 and trophy, while an invitation contest is for bands which are nationally classified as second section or lower. First in this section will receive £250 and a challenge trophy. In total, prize money amounting to £1,325 has been guaranteed by Lansing Bagnall, who will also provide an evening concert to conclude the festival.

Comedy at the Richmond Fringe

Recollections of childhood, seen through the haze of 30 years, provide the basis of a sinister comedy, *Way Back In The Farm*, by a young Brazilian playwright Roberto Athayde, which is the new lunchtime production by the Richmond Fringe at the Orange Tree, Kew Road, Richmond.

The show runs until August 1 and is the English language premiere of the play.

al Hall

Aida

by ELIZABETH FORBES

scarcely neglected in house, but there were stic, as well as cogent reasons for the choice a popular piece for ert performance pro- the Australian Musical n in the Festival Hall y night. The AMA its silver jubilee next the concert no doubt n its practical aim of oney for the anniver- n events, as the hall o bursting point. The hear three British- ers in roles that they abroad, but not so London, was ample stification.

nter has sung Aida and America; it is a might have been tailored for her at in her career. The s perfectly for her ich was in lustrous on Friday. As one ct from a Brünnhilde, xes were thrillingly Aida's line soaring over the ensemble in ph scene, but quieter also linger in one's ear: "Tu sei felice, tu sei possente," Aida's plea to Amneris in the second act; "Là, tra foreste vergini" in the Nile scene duet with Radames; and the final duet, "O terra, addio." Subtle use of portamento gave these and many other phrases an added eloquence.

Elizabeth Connell sang Amneris in Sydney with Australian Opera. Here she has already demonstrated her potential as a Verdi dramatic mezzo with an exciting Eboli in the ENO's *Don Carlos*. Her Amneris proved equally stimulating. She employed her chest register sparingly in the first three acts, depicting a younger, more vulnerable Egyptian princess than usual. But the big guns were there, held in reserve, and in the Judgement scene were brought into action with devastating effect. Her rich lower voice balanced by gleaming top notes, and stunning attack held the audience silent and immobile until the end of the orchestral postlude to the scene, then unleashed a well-merited ovation.

Kenneth Collins has sung Radames in Florence; if dramatically he was not quite so immersed in the role as his two female colleagues were in theirs, he produced effortlessly heroic tone, particularly in the Nile scene, where his phrasing also took on deeper expressiveness. Radames is a more complex character than Manrico, whom Mr. Collins sang so rousingly in the Welsh National *Trovatore*, but given the chance he should develop into a fine exponent of the part. Geoffrey Chard as Amonasro, Gwynne Howell as Ramfis, Noel Noble as the King and Kevin Miller (a pleasure to hear him again) as the Messenger completed a well-chosen cast.

John Matheson conducted the Chelsea Opera Group Orchestra and Chorus, augmented by the London Oriana Choir. It would be patronising to suggest that enthusiasm made up for any lack of polish in the orchestral playing, as there were in fact very few fluffs—far fewer than in many run-of-the-mill professional performances; but enthusiasm, or dedication is perhaps a better word, was much in evidence. The choral forces sang with great confidence, projecting solid tone and clear words. When filled to capacity, the hall becomes more reverberant, and in the Triumph scene the volume and quality of sound was most imposing. Mr. Matheson's firm beat and strongly marked rhythms were of great help to players and singers alike.

Leeds premiere for new Arnold Wesker play

Leeds Playhouse will present the British premiere of the first new play by Arnold Wesker to be seen in this country for four years when *The Wedding Feast* opens a four-week run on Wednesday, January 19, 1977. The play, which like *Roots* is set in Norfolk, tells of a paternalistic Jewish businessman's relationship with his employees, catalysed by his appearance, uninvited, at the wedding party of one of them.

The production will be directed by John Harrison and Michael Attenborough.

hurch into theatre?

by H. A. N. BROCKMAN

Holy Trinity, the first parish church of Tunbridge Wells, built in 1827, is a robust example of Regency Gothic, designed by Decimus Barton who was also the designer of the Athenaeum Club and the Palm House at Kew Gardens.

The church was declared redundant by the Church Commissioners in 1974 and has since remained unused. A proposal by the Commissioners to demolish the building and develop the site was put forward in 1968.

Local protests have so far been successful in persuading the Commissioners to grant the Royal Tunbridge Wells Civic Society a year from October 1975 to find a community or public use for the building. Repairs are necessary, but these are not so extensive as might be the case, for the local sandstone has stood up remarkably well during the 150 years of the building's life.

It is estimated that for the relatively small sum of £50,000 the building cannot only be repaired but can at the same time be converted for use as a theatre and arts centre with all its attendant theatrical equipment, meeting and changing rooms and kitchen.

It would be sad to see such a fine example of its period disappear.

The funds are being administered by the Treasurer, Holy Trinity Appeal, c/o Barclays Bank, 64 Mount Pleasant Road, Tunbridge Wells, Kent, to whom all donations should be sent.

WORLD TRADE NEWS

£20m. loan for Mexico

Financial Times Reporter

THE EXPORTS Credits Guarantee Department has guaranteed a £20m. line of credit which Baring Brothers has arranged with Petroleos Mexicanos (Pemex), of Mexico. Finance for the loan was made available by a consortium of English clearing and Scottish banks.

The loan will help finance contracts placed in the U.K. for equipment and associated services for a polyethylene plant being built at La Cangrejera, Veracruz at a total cost of $75m. and for other projects which are part of the current investment programme being undertaken by Pemex.

ICI has been awarded the process contract and Sim Chem has been awarded the design and engineering contract for the polyethylene plant which will have an annual production capacity of 240,000 tonnes of polyethylene granules. Commissioning of the plant is scheduled for early 1979.

This is the fourth line of credit which Barings has arranged for Pemex and brings the total amount of finance arranged by Barings for Pemex to about £40m.

Brazil disappointed by oil bids

By Sue Branford

SAO PAULO, July 19.

ONLY FIVE proposals for "risk contracts" for oil prospecting had been made to Petrobras, the Brazilian State-owned oil company, by the end of last week, when the deadline expired. Three of the proposals came from individual companies — British Petroleum, Esso and Texaco. The other two came from consortia—the French State-owned company Elf-Aquitaine associated with Agip, belonging to the State-owned Italian ENI group: and Royal Dutch Shell Company associated with an "unknown" Pecten Brazil company.

All the proposals are for off-shore prospecting on Brazil's Continental shelf. It is believed that the Bay of Santos and the mouth of the Amazon River were the preferred areas. As was expected, all proposals are for different zones.

The number of proposals has disappointed the Brazilian Government which had been expecting 10, one for each of the areas offered. Particularly glaring was the absence of Mobil, Occidental and Chevron in the list. Each of these companies paid $400,000 to Petrobras for geological information and it had been assumed that they would be presenting proposals. It is believed that the information provided may not have suggested success in the prospecting.

Some companies are also known to have lost interest when it was made clear that any discoveries of natural gas would not be rewarded in any way. The Brazilian Government's planned control over remittances of profit abroad has also been criticised for its rigidity.

It is believed that Petrobras will be opening a new bidding, with more flexible conditions, once the present negotiations are completed. Petrobras officials believed that the first "risk contract" may be signed in about two months' time.

Foster Wheeler to build Algeria's largest gas unit

BY PAUL BETTS

FOSTER WHEELER of the U.S. has signed a contract with the Algerian state hydrocarbon concern, Sonatrach, to build what will be Algeria's biggest gas liquefaction plant with an annual capacity of 15.75bn. cubic metres, the official news agency Algerie Presse Service reported yesterday.

A spokesman for Foster Wheeler in New York yesterday confirmed that the contract had been signed but declined to disclose details.

Reliable sources in Algiers, however, speculated that the new plant would cost about $1.5bn. and would probably be built at Arzew, near Oran. The plant is scheduled to come on stream in 1980. It is expected to have nine liquefaction lines, and will also extract 500,000 tonnes of propane and 450,000 tonnes of butane annually.

According to diplomatic sources in Algiers, the Foster Wheeler plant will be built at Arzew, and will become the fourth LNG unit there. It will be constructed on the site originally chosen for a similar plant contracted to Eurogas. This concern was to market the liquified gas to a consortium of European companies. But the Eurogas deal fell through earlier this year.

At present only one plant—the Camel plant built back in 1964 and jointly owned by Sonatrach (60 per cent.) and Conch International Methane (40 per cent.)—is working at full capacity at Arzew. And to meet LNG sales contracts, estimated at 43.2bn. cubic metres annually due to become operative in 1980, Sonatrach has embarked on a crash gas processing programme.

The Foster Wheeler plant will be the third LNG package to be built by a U.S. company in Algeria. Earlier this year Bechtel International agreed to complete a new plant at Arzew which Chemico (Chemical Construction Company) had originally been contracted to build. Sonatrach is understood to have cancelled Chemico's contract, valued at $327m., on the grounds of "poor performance" by the U.S. company. Bechtel's contract is believed to be valued at more than $300m., and the plant is expected to have an annual capacity of 10.5bn. cubic metres.

In February, Pullman signed an agreement with Sonatrach to build a second new LNG plant at Arzew. The plant, to be built by a Pullman subsidiary, Pullman-Kellogg, is expected to have a capacity of 10.5bn. cubic metres annually and will cost about $1bn., according to diplomatic sources.

Although there were no details of the financing of the Foster Wheeler plant, observers in the gas industry felt yesterday that the onus will be placed on the contractors to raise the necessary finance. Financing the Bechtel plant, for example, is being provided by a consortium of U.S. banks, Bechtel and Sonatrach, and the U.S. Export-Import Bank is understood to be providing about 40 per cent. of the total cost. Pullman-Kellogg, it is believed, is also having to find the bulk of the finance for its Arzew plant.

One diplomatic source remarked in Algiers last month that "America is getting so heavily involved in Algeria that it is now forced to keep ploughing in money rather than pulling it out."

WORLD STEEL OUTPUT

Export-dependent producers lag

BY DAVID CURRY

BRUSSELS, July 19.

THE DRAMATIC differences in momentum behind the steel industry recovery amongst the major producers is highlighted in the latest output figures from the Brussels-based international iron and steel institute. While the general picture is one of very grudging recovery, this masks very substantial improvements over recent months in a number of countries.

Altogether production over the first half of this year was 232m. tonnes just 0.7 per cent. up on the same part of 1975. The six original EEC states were still 2.6 per cent. down at 55.37m. tonnes; Japan lagged by 2.3 per cent. at 50.73m. tonnes, while the U.S. was 3.9 per cent. to the good at 60m. tonnes.

However, taking the month of June alone, the U.S. was 32 per cent. higher at nearly 10.5m. tonnes and the EEC was 3.8 per cent. up at some 9.6m. tonnes. Japanese producers managed less than 8.5m. tonnes to leave them 4 per cent. down on June 1975; the touchstone of performance seems to be the dependence on export markets. Countries which provide a strong home demand are showing evidence of a much firmer recovery while those without this cushion are clearly dragging behind very substantially.

Thus, German output over the six months was 1.2 per cent. down on the same period of 1975 at 21.37m. tonnes, but its June performance was nearly 9 per cent. better at 3.62m. tonnes. France showed a 2.9 per cent. drop in June, but still managed to end the six month period some 0.70 per cent. to the good with output at 11.6m. tonnes. While showing a decline from 11.7m. to 11.3m. over the first half of the year the Italian industry recorded a 16 per cent. improvement in June alone at nearly 2.04m. tonnes. Britain, with its perennial special circumstances, was helped by a June output surge of 28.3 per cent. over June 1975 to 5.4 per cent. half yearly increase at 11.52m. tonnes.

The severe sufferers continue to be Belgium, down 8.9 per cent. in the month and 9.1 per cent. in the half year; Luxembourg, down 0.7 and 6.1 per cent. respectively and Holland, 18.3 and 4.7 per cent. to the worse. These are countries with a very heavy dependence on exports.

U.K. imbalance worries Hungary

BY PAUL LENDVAI

VIENNA, July 19.

THE GROWING imbalance in Britain's favour in bilateral trade, the elimination of quotas and non-tariff barriers to Hungarian exports and the promotion of long-term British-Hungarian co-operation ventures are to be the main subjects to be discussed during the five-day official visit of Hungarian Deputy Premier Dr. Gyula Szeker to London, according to an article published during the week-end by the Budapest economic journal "Vilaggazdasag."

The paper complained that, as discussed also at the Hungarian-British commission meeting held last month in London, conditions for developing British-Hungarian trade have deteriorated this year. Two-way trade last year totalled £70.5m. against £69m. in 1974. But Hungarian exports during January-May this year dropped by £0.3m. while imports from Britain rose by £2.5m. despite the fact that Hungarian sales in Britain are able to cover only 50 to 55 per cent. of the Hungarian imports.

Due to inflation, the shift from quantitative to value quotas, affecting 20 per cent. of Hungarian exports, resulted actually in a fall of Hungarian sales, the journal emphasised. It added that, in addition to the quotas, dumping proceedings were started under the pressure of British unions and protectionist manufacturing groups against such Hungarian export articles as lamps, men's suits, leather and clocks. The share of industrial manufactures has risen from 20 per cent. of Hungarian exports in 1960 to 39 per cent. by 1975. Machines and equipment account now for 15 per cent. of sales to Britain.

The $15m. general contract concluded last autumn between Vauxhall, the British subsidiary of General Motors and the Raba wagon and machine factory at Gyor in Western Hungary, including the supply of 10,000 rear axle components by the Hungarian company is expected to give a push to exports. The Hungarian journal reckons that exports to Britain this year will be up by £2m. to £27m.—£28m.

However bilateral trade can no longer be increased without substantial co-operation deals the journal concludes.

AMERICAN NEWS

Optimistic outlook over U.S. car talks

By Jay Palmer

NEW YORK, July 19.

TALKS between the powerful United Auto Workers (UAW) Union and the largest U.S. car companies start this week over a new three-year wage contract to replace th eone expiring on September 14. Despite the usual pre-bargaining rhetoric and some recent hardline comments, both sides appear optimistic that the traditional strike against one or other of the major companies can be averted.

The discussions, which begin at General Motors to-day and start at Ford and Chrysler to-morrow and Wednesday, come only six months after the U.S. auto industry has started recovering from its 24-month deep sales recession. With union strike funds depleted and the companies eager to maintain uninterrupted production, the chances for a compromise no-strike settlement are good.

Both sides have already spelt out what they see to be the major issues for discussion, which incidentally set the tone for the simultaneous local plant talks. The car companies, for example, are almost certainly going to try and get the UAW to pick up some of the costs of health insurance premiums which now cost employers about $150 per month per employee. That adds up to over $800m. a year for GM alone.

The union, for its part, is going to be concentrating demands under the general classification of higher "job security." It is going to be asking for more paid time-off, higher layoff pay as well as increased salaries for both current employees and retired ones.

Task force sees no need to delay Alaska pipeline

BY DAVID BELL

WASHINGTON, Jul[y]

THE SPECIAL task force sent by President Ford to investigate faulty welding on the 800-mile trans-Alaska pipeline has concluded that the need to repair some of the welds should not delay the opening of the line, according to informed sources.

But Ford Administration officials said that the July start may be delayed "perhaps a month or two" because terminal facilities at Valdez in southern Alaska are running two months behind schedule. Experts reckon that oil may not be flowing through the pipe much before late 1977.

At the same time Alyeska, which is to hold a Press conference here later to-day, said its preliminary study of the rupturing of a section of underground pipe strongly suggested that "human error" had been responsible. The company said it seemed that the wrong switching of some of the pumping gear may have caused a sudden rush of pressure in the pipe. This conflicts with the view of the Alaska State Pipeline Co-ordinator, who said that the pipe failure had come when the pressure was only 187 lbs per square inch, well below the pressure for which the Japanese pipes were designed.

President Ford's task force, headed by Mr. John Barnum of the U.S. Department of Transportation, has apparently concluded that Alyeskas record-keeping, particularly of X-days of welds made so far, was not always as efficient as it might have been. But the team apparently found no evidence that there may be significantly more than the 3,955 questionable welds already discovered by the company, which is owned [...] consortium of oil co[...] building the line, in[...] British Petroleum which [...] substantial stake in it.

This may be greeted wi[th] scepticism by critics of t[...] in which the line has be[en con]structed, and more heari[ngs are] scheduled in Congress to-[day] with yet more the next d[ay. The] Government may seek t[o meet] some of this criticism by [asking] Alyeska either to check [the] welds records again or t[o test] a statistically significant [number] of them, but it is not y[et clear] if these new tests can be [carried] out by special acoustical machinery. Alyeska was [to have] demonstrated this to Mr. [Barnum] last week but the test w[as post]poned at the last minute [and will] be held later.

Reagan says Ford could win

BY JUREK MARTIN

WASHINGTON, Ju[ly]

AN AIR of gloom seems suddenly to have settled on the Ronald Reagan camp. Even the candidate himself in an interview with the Washington Post, published this morning, is now saying that President Ford may well win the Republican Party's presidential nomination.

With all the primaries and caucuses now over, Mr. Ford's delegate total is about 30-40 short of the 1,130 needed for the nomination. Mr. Reagan is about 40-50 behind Mr. Ford, with a further 100 delegates uncommitted or with unknown intentions.

In the last couple of weeks, the President's drive to pick up support has at long last started paying dividends. The Reagan staff believe the critical setback was in North Dakota 10 days ago when the former California Governor won only four of the 18-strong delegation, against hopes of as many as 10 or 11.

Mr. Reagan's interview with Mr. Lou Cannon, the Post reporter, contained no specific admission of impending defeat but was noteworthy for an air of resignation about the outcome. It must be said that similar signs were evident back in March after he had lost the Florida and Illinois primaries, before launching a surprising comeback in North Carolina and later in Texas.

Mr. Reagan was more concerned in stressing that he thought his candidacy had been worthwhile because of its impact on President Ford. "My candidacy has pushed President Ford into positions he would not have taken," Mr. Reagan said.

He added that he thought he could continue to exert similar influence by speaking out on issues but not by accepting the Vice-Presidential spot on a Ford ticket. ("Under no circumstances," he said, would he do this.) "Once you become that Vice-Presidential candidate," he went on, "you have no authority over what you are going to say in a speech.

"I become part of an administration, and I have expressed disagreement with a great many things they're doing. No, there's just no way I would do it."

Mr. Reagan also took what some might consider the significant step of thanking all the newspapermen who have covered his campaign this year. "I think you've all been as fair as hell," he added.

Sensing victory, Mr. Ford has laid plans to seduce the necessary number of uncommitted delegates: he may fly down to Mississippi to talk to that State's 30-strong delegation and there are invitations out to delegates from Pennsylv[ania and] New York.

The White House st[...] claims that the result [...] settled by the end of th[...] But it will require a [...] capitulation by Mr. Re[agan to] remove much of the a[...]sion that still centres [on the] Republican Conventio[n next] week in Kansas City, a[nd] Reagan supporters are [...] claim that they hav[e been] deprived in any num[ber of] States of their rightful r[epresen]tation by hard nosed electioneering by th[e Ford] strategists.

Thus the Credentials a[nd ...] Committees, meeting in [...] before the Convention will have a large say i[n deter]mining the spirit of the [Conven]tion. If resentment ab[...] Kansas City then the [...]tion will have been con[...] cheapened.

With Mr. Reagan s[...] intent on not accept[ing the] number two spot, the c[...] a Ford running mate [...] commanding greater [...] The name of Mr. John [...] the former Treasury S[ecretary] and Texas Governo[r ...] advanced again yeste[rday ...] Senator Robert Dole, [...] Party chairman, and po[...] man to preside over nex[t week's] Convention.

Armour in payments disclosure

By Our Own Correspondent

NEW YORK, July 16.

ARMOUR and Co., the U.S.'s second largest meat packing company, and a subsidiary of Greyhound Corporation, 29th largest American industrial concern, has disclosed questionable payments on the part of foreign Armour subsidiaries amounting to $1.79m.

Of the company's 19 foreign subsidiaries, seven are involved in the payments, and the period covered is between 1973 and the first quarter of 1976. The payments were made by unconsolidated foreign subsidiaries engaged in the pharmaceutical business.

The payments were disclosed as a result of a special investigation conducted by Greyhound's auditors, and are not considered to be material to its revenues or net income in the years involved. The seven subsidiaries' total revenues for 1975 were equal to about 7-10 per cent. of Greyhound total revenues.

Some $1.8m. of the payments consist of commissions paid by one subsidiary into the bank account of a second, on sales made to a company owned by a third subsidiary.

Caribbean economic warning

By Our Own Correspondent

GEORGETOWN, July 19.

THE GEORGETOWN-based Caribbean Community Secretariat has told developing countries that they have to elbow their way in if they want room in the world economy since the major industrialised nations are not prepared to accommodate them.

In a paper on the new international economic order, the Secretariat said this has become evident after the Unctad sessions.

It also accused the socialist countries of not being interested in assisting developing states "save on their own terms."

The paper concluded that international relations are "a jungle".

IBM fight over docum[ents]

NEW YORK, [...]

LAWYER'S for International Business Machines will argue before the Federal Appeals Court here to-day that 21,800 confidential company documents should not be turned over to the Justice Department for use at the trial involving anti-trust charges against it.

For the third time, IBM has told the Appeals Court that Chief District Judge David Edelstein, who is presiding over the 14-month-old trial, has issued erroneous procedural orders that threaten IBM's defence.

In 1974, IBM lost a battle to overturn an order by Judge Edelstein requiring it to give the Government copies of confidential documents that inadvertently had been disclosed in another case. Last October, however, IBM won an unusual "writ of mandamus" from the Appeals Court that str[uck down] some procedural restri[ctions im]posed by the judge and [ordered] him to comply with [pro]cedures requested by [IBM].

The current dispute [...] documents that IBM [says] should be protected [from dis]closure because they [are] communications betw[een em]ployees and company l[awyers or] the "work product" o[f lawyers] preparing for trial. IB[M says] that the judge has ig[nored pre]cedent and existing [law] limiting the circ[umstances] under which such mat[erial can] be protected from disc[losure].

"The harm to de[...] IBM—both in having [opposing] counsel view those d[ocuments] and having them adm[itted in] evidence will be ma[...] irrevocable" accordin[g to the] IBM brief. AP DJ

CARIBBEAN SMELTERS

Trinidad in doubtful mood

BY DAVID RENWICK IN PORT OF SPAIN

THE TWO CARICOM aluminium smelter projects, which at one time seemed threatened by disagreements among the three governments concerned, have been revived following a meeting in Port of Spain between the energy ministers of Trinidad and Tobago, Jamaica and Guyana.

One important decision to come out of the discussion was the scaling down of the capacity of the first smelter, to be sited on the Point Lisas industrial estate on Trinidad's west coast, from the original figure of 200,000 tonnes to one of 75,000 tonnes.

This was taken in the light of the expected slow growth of demand for aluminium over the next decade and in view of the number of competitive smelters that will be established in Latin America, in particular the 150,000 tonne smelter in Mexico and the upgrading of the Venezuelan smelter from 120,000 tonnes to 400,000 tonnes.

It was also an acknowledgement that Jamaica, which is to supply half the alumina for the Trinidad plant and stand 33 per cent. of the investment costs, could not afford to contribute to a smelter of more than 75,000 tonnes in Trinidad, if it were to help underwrite the second smelter in the Upper Mazaruni region of Guyana as well.

Mr. Horace Clarke, Jamaica's new Minister of Mining and Natural Resources, put it to his colleagues, Mr. Errol Mahabir, Trinidad and Tobago's Minister of Petroleum and Mines and Mr. Hubert Jack, Guyana's Minister of Energy and Natural Resources that his country's economic position precluded it from participating in a total regional smelter arrangement of more than 225,000 tonnes.

Since Guyana needs a smelter of the largest possible size in order to make its multi-million dollar hydro-electric project feasible, the three ministers agreed that the Guyana project would be one of 150,000 tonnes, while the Trinidad plant—which is to be the first to come on stream—would be the smaller of the two.

It is two years since the Prime Ministers of the three countries, at a special meeting in Port of Spain, agreed to marry their natural resources (alumina in Jamaica and Guyana, gas in Trinidad and hydro-power in Guyana) for the establishment of two aluminium smelters.

But the idea, first announced with heady enthusiasm just after Trinidad and Tobago had become unexpectedly well-off through quadrupled oil taxes and Jamaica had astounded the bauxite world with its new system of taxes on the realised price of bauxite, has tended to drag on, with successive meetings failing to come to any determination about starting dates and other matters.

> **The Prime Minister of Trinidad and Tobago was particularly bitter because he felt that Jamaica's prime loyalty should not have gone to Caracas.**

The prime reason for this was the public row between Dr. Eric Williams, the Trinidad and Tobago Prime Minister, and Mr. Michael Manley, the Jamaican Prime Minister, over the latter's involvement with both Mexico and Venezuela in aluminium smelter projects in those two countries.

Jamaica had accepted a Mexican offer of a 29 per cent. participation in a smelter to be built in Mexico: had agreed to supply it with alumina, and had invited Mexico to take 29 per cent. in a new Government-owned alumina facility in Jamaica.

In Venezuela's case, it was agreed that Jamaica supply 200,000 tonnes of alumina a year for the expanded Venezuelan smelting industry, as well as 400,000 tonnes of bauxite, building up to 500,000 tonnes after the fourth year, both deals to run for a decade in the first instance. Venezuela also accepted 10 per cent. in the new Jamaica alumina plant and gave the Jamaican Government the option of buying 10 per cent. in the enlarged Venezuelan smelter enterprise.

Mr. Williams's view was that, by allowing itself to become involved in what were competing smelter projects, Jamaica had succeeded in undermining the market prospects of the Trinidad and Guyana plants even before they were off the drawing board.

The Trinidad and Tobago Prime Minister was particularly bitter over the arrangement with Venezuela, because he felt that Mr. Manley's prime loyalty should have been to CARICOM and not to Caracas. Mr. Williams has expressed his belief on several occasions in the last two years that Venezuela harbours "neo-colonialist" intentions towards the English-speaking Caribbean and sees itself filling the power vacuum left by the departed British colonial authority. Venezuelan Government spokesmen have vehemently denied this charge.

It seems, however, that time, and Mr. Williams's recent chance to obtain some very promising trade openings for Trinidad goods in the Jamaican market in return for helping Mr. Manley with a $77m. loan, may have helped heal the wounds.

The recent Port of Spain meeting of the three energy ministers has gone further in arriving at some firm guidelines about the smelter complex than any previous meetings.

Within four months time, the three governments should receive from the join[t] group of technicians w[...] the project some firm [...] on the financing of th[...] About six weeks after [...] ministers are schedule[d to meet] again to decide on ac[tual start]-up dates and othe[r] details.

Though the two sme[lters were] conceived as an ove[rall pack]age, there is still som[e doubt in] Trinidad and Tobag[o] that the Guyana proj[ect is] viable. A feasibility [study of] the Guyana proposal [was] examined by the mini[sters but] details of the Trinidad [plant are] finalised.

Mr. Forbes Burnham [Guyana's] Prime Minister, is d[etermined] to have a smelter in h[is country] and consultants have [...] that the hydro-electri[c ...] the Guyana Governm[ent ...] stalling demands a s[melter of] no less than 225,000 [tonnes].

Trinidad and Tobag[o ...] over the Guyana [...] caused Mr. Burnham [...] his position over Guy[...]jected 33 per cent. pa[...] in the first smelter [...] the financial docume[nts pre]sented to the next [...] meeting.

As it stands now, Trinidad and Tobag[o Govern]ment agrees to comm[...] the Guyana aspect [of the] CARICOM smelter [...] Burnham may well p[...] the firt smelter and [...] his energies, and fun[...] own project, which is [...] to see the light of day [...] mid-1980's.

According to M[r.] Mahabir, the Trini[dad and] Tobago Minister, Ja[maica is] "very keen" that th[e] smelter should go a[head ...] should Guyana withd[raw ...] means will have to be [...] cushioning the additi[onal finan]cial burden that this v[...] on the Manley Govern[ment].

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هكذا صار الحل

OVERSEAS NEWS

South Africa's eserves hit by ;old price fall

BY GRAHAM HATTON JOHANNESBURG, July 19.

continuing nosedive to- ghtened speculation that : might soon announce measures to bolster South dwindling foreign re- Since the beginning of · decline in the gold price ·celerated the foreign slide by at least R4m. and it is now feared that leads and lags could give ine added momentum.

ielieved that the Govern- as brought the deteri- balance of payments to the attention of the Mine Workers' Union, is threatened the mining with a strike unless it ve-day week.

s announcing a strike ent up throughout the

l coal-mining industry lay in spite of Friday's between two Cabinet and the Mine Workers'

was no news of any :d wildcat strikes which ed would erupt at many 's.

·sence of such strikes ·uted to an appeal from J leader, Mr. P. J. Paulus, last night. Mr. id wildcat strikes could ı the union's cause and should only act on ns from the union man-

d the extra-ordinary between his General and the Minister of d Labour, Mr. S. P. nd the Minister of Senator Horwood, on ɔncerned the general condition and the g strike.

'stening to the Minis- Council decided to vith its proposed strike 'uly 26, although every- ·ible would be done to attain a peaceful solution mean-while.

It was not the union's intention to hold a pistol to the country's head. But the five-day week was essential for the miners' health, Mr. Paulus said.

South African police units stood by to-night to curb possible further violence in the Transvaal following a week-end marked on the one hand by intensive police work in the townships aimed at maintaining law and order—and on the other by further sporadic acts of violence and arson by black militants. Police patrols in the townships were in battledress and heavily armed, according to residents. Whites are forbidden to enter the townships.

According to The Transvaler, the National Party's official organ here, police have been investigating unverified rumours that thousands of blacks could to-morrow march into Johannesburg "from all directions" while others would stay at home to engage the police in the townships.

While it is thought that such rumours are far fetched, they should be viewed against the renewed violence of the past two days.

Over the week-end black students attempted to burn down the university of Fort Hare (as a result of which the University was shut and all students sent home) while in Johannesburg a group of Africans ransacked a whites-only roadhouse restaurant and threatened to put it to the torch.

Last night in Alexandra itself a church was partially destroyed in a blaze, which firemen say may have been the work of arsonists.

Meanwhile police will not say whether they have arrested anyone under the new internment laws. "At this stage we are not prepared to release any information on arrests under the Internal Security Act," said General Gert Prinsloo, Commissioner of Police.

Another police officer said patrols had encountered no hostility in Soweto over the weekend. It is thought that the release last Friday of all black pupils detained during the Soweto demonstrations may have helped to defuse the situation. Even so, all black schools will remain closed to-morrow (the first day of term) and no open-air meetings will be allowed.

EEN PEOPLE have illed in the Rhodesian war in the past 48 ecording to an official ıique released to-day. ın political leaders say hodesian police have detaining important ist politicians. In the v days two prominent s of the Muzorewa National Council have tained under the emer- egulations.

ınd-to-hand battle · Lebanon camp

AN HIJAZI BEIRUT, July 19.

JS FIGHTING broke ybreak to-day in and e besieged Palestinian Tel al Zaatar in the ·rn outskirts of right-wing forces, armour and tanks, nother all-out attempt the camp.

unique by the com- ral leadership of the -Left alliance said to-hand fighting was and that Palestinian 'e using anti-aircraft st the attackers point

-wing drive to subdue :tar entered its 28th . Most of the area camp is said to be ıt-wing control now, mp was still holding

sources said the ·h attempt to occupy ppeared to have mili- political objectives. 'he right-wing forces the camp out of the beginning attacks else in reported with Syrian troops. ', the Right is hard end the Tel al Zaatar ıse the Arab League ıy, Dr. Hassan Sabry 'rived here to-day to tional contacts for out a ceasefire.

t-wing and left-wing e reported that the ps stationed at the 'esort of Sofar, 13 -east of here, have rced with additional men. The Pales- the Syrians were pre- ɔin right-wing forces ive against the com- tinian-Left troops at wn of Aintourah and n the Upper Metn ıded on the eastern nge.

In the north, the right-wingers were reported to be preparing to mount an offensive from the Zghorta hills down to the Moslem port of Tripoli. They have already laid siege to the port at its southern end along the coastline, while Syrian troops north of the port have besieged the two main Palestinian camps in the area.

While the Palestinians have urged the three Arab heads of state who met in Jeddah to find a solution to the Lebanese crisis, the main right-wing leader, President Suleiman Franjieh, sent them a cable accusing Libya of continuing to provide funds and weapons to the Palestinians and the Left to keep up the civil war.

Mr. Franjieh also told President Anwar Sadat of Egypt, President Jaafar Nimairi of the Sudan and King Khaled of Saudi Arabia that the Arab countries must share the large number of Palestinians who live in Lebanon. He said the Arab leaders must encourage the Syrian political and military initiative in Lebanon.

Egypt, Saudi Arabia and Sudan yesterday urged an immediate ceasefire in Lebanon and called for a round table conference to resolve the conflict there, Reuter reports from Cairo. A joint communique released after a two-day summit meeting in Jeddah between the countries' leaders also said they had "agreed to promote and intensify co-operation among their countries and peoples and set up joint institutions to push this co-operation forward along the path of Arab solidarity and brotherhood."

lis settle with Aramco

BAHRAIN, July 19.

BIA will pay a con- American oil com- . operate its oilfields ish as compensation ver their remaining ne kingdom, Saudi wn Prince Fahd said 'iew published here

:ly newspaper Al- ɔted the Prince as reement in principle reached with the erican Oil Company consortium under ate will acquire 100 ıtrol of the Aramco ɔd installations. The had earlier acquired t. stake in the com-

.. will be equivalent ɔk value of Aramco's sets in Saudi Arabia, ɔd said the Aramco companies (Exxon, Standard Oil of California, Texaco and Mobil) will get a 12 cent discount on every barrel of oil they buy from their former concesion area.

He said a five-year agreement is being negotiated under which the companies will be allowed to buy 75 per cent. of the production. The agreement will be renewable but the companies will only be allowed to lift 60 per cent. under a second five-year agreement.

Reuter

ON OTHER PAGES

CONFRONTATION IN NORTH-WEST AFRICA

The great Mauritania raid

BY A SPECIAL CORRESPONDENT

ANOTHER BIG raid was mounted in Africa recently, just as imaginative as the Israeli operation in Uganda, but less spectacular and much less lucky. It ended 100 miles north of the Mauritanian capital of Nouakchott, on June 8, with the death or capture of over half the raiders. Had is succeeded Mauritania would shortly have disappeared as a country.

Mauritania has now become the critical arena for the Algerian-Moroccan confrontation about the future of the former Spanish colony of Western Sahara. It is likely to be the loser in almost any imaginable outcome of the present quarrel: having entered an alliance with far larger Morocco (13 times Mauritania's population, to divide up the Western Sahara, it now has a common frontier with a still hungry Morocco, and everyone else in North-West Africa for enemies. Last month, those enemies attempted to destroy it

In the very first days of June, a column of about 100 vehicles crossed the Algerian border south of Tindouf, bound for the Mauritanian capital about 1,000 miles away. It carried between 600 and 800 heavily armed men of the Algerian-backed Polisario guerilla movement, and the aim seems to have been nothing less than to overthrow the Mauritanian state and to make it the core of a West Sahara nomad state. The column's commander was Sayed el-Wali himself, the founder and real leader of Polisario.

The column travelled by abandoned desert tracks, moving mostly by night, across the empty north-east quarter of Mauritania, one of the most sparsely populated countries in the world. It had reached to within little more than a day's drive from Nouakchott when it was accidentally spotted by a Mauritanian light aircraft.

Alerted at last, the Maurkian army, which has undergone a frantic fourfold expansion in the past year, managed to block and cut off most of the raiders near Akjoujt, about 100 miles north-east of the capital. On June 8, under the concentrated fire of AML armoured cars newly delivered to Mauritania by France, the whole audacious gamble collapsed.

Four Polisario Land Rovers managed to get round the Mauritanians and carried out two small attacks on Nouakchott during the day, dropping mortar shells into the Presidential palace compound. Other fragments of the Saharan expeditionary force managed to fight their way back to Algeria by mid-June, after further sporadic running battles, but they left behind about 250 dead and 200 prisoners. Among the Polisario dead near Akjoujt the Mauritanians found Sayed el-Wali and his aide, both killed during the break-out attempt on June 9.

Polisario, the guerilla arm of the exiled Saharan Arab Democratic Republic (SADR), has been fighting both Morocco and Mauritania since they began to occupy the territory late last year. At least two-thirds of Western Sahara's 70,000 people are in refugee camps in south-western Algeria, and Polisario's forces have ranged widely over the depopulated expanses of their former home, attacking the occupation troops and destroying what little there was of economic value.

Up to 100 Moroccan and Mauritanian troops a week are dying in Polisario attacks, according to the latter, though there has been no further direct involvement of Algerian regular troops in the fighting since February. The guerillas attack even into the southern regions of Morocco proper, but there has been a distinct trend in recent months to shift the brunt of their operations south.

Many Mauritanians prefer the Polisario solution of a single nomad State for the whole area, and constitute a fifth column within the defences.

Since April, Polisario has concentrated particularly on weaker Mauritania. At the same time, it has stressed its claims to a Saharan state, which would take in not only ex-Spanish Western Sahara, but also a large area of Morocco south of the river Draa, and all of Mauritania. (Morocco and Mauritania do not recognise the Saharan Government-in-exile, of course, and broke of diplomatic relations with Algeria when it did so in early March.) Immediately after the death of Sayed el-Wali, a Polisario spokesman in Algiers announced that all claimed territories would in future be "war zones," where foreign civilians would be at risk.

Faced with this extremely serious threat from its declared enemies, Mauritania finds itself almost as worried by its ally. The division of Spanish Sahara (with Mauritania getting approximately the southern third) was agreed by the two beneficiaries on April 14, but many Mauritanians fear that the matter may not end there.

Morocco's lang-standing claim to all of Mauritania, half the Algerian Sahara, and a large slice of Mali has only the most tenuous historical justification, but the eventual goal of "Greater Morocco" has always been a basic assumption of Moroccan domestic politics. Only in 1969 did Morocco lift its ban on the recognition of Mauritania, leading to the latter's acceptance into the Arab League in 1973. The Moroccan-Algerian border is still undefined, due to Rabat's failure to ratify an agreement made in 1971, and despite the Mauritanian alliance there are already traditional political forces to be herd in Morocco raising the old demand for all of the Western Sahara once again.

Thanks to President Moktar Ould Daddah's bargain with King Hassan of Morocco two years ago, Mauritania no longer has the comfortable buffer of Spanish Sahara between it and imperial Morocco, but a common frontier. To help deal with the extensive Polisario activity against Mauritania, Nauakchott has had to ask for Moroccan troops to be stationed not only in the newly gained Saharan territory of Ouad Heheh, but within Mauritania's old frontiers. It is small wonder that so many Mauritanians call their alliance with Morocco a "devil's bargain."

The more imaginative Mauritanians can think of half a dozen ways in which their 1.3m. people could either suddenly or slowly become simply the inhabitants of the southernmost provinces of Morocco, and they do not relish the idea. Many Mauritanians therefore prefer the Polisario solution of a single nomad state for the whole area, and constitute a fifth column within President Daddah's defences.

Sayed el-Wali was clearly counting on this underground support in his abortive attempt to overthrow Mauritania (otherwise a preposterous undertaking, with at the most 800 men), and it will still be there if and when Polisario decides to try again. Mauritania has got far out of its depth, and is in danger of disappearing from view entirely.

The ideological character of the confrontation, with socialist Algeria and its Marxist revolutionary proteges of Polisario lined up against feudal Morocco and conservative Mauritania, has attracted and polarised support from outside. The Saharan Republic has recognition only from Algeria and half-a-dozen African States, but strong sympathy from other radical States ranging from Libya and South Yemen to Cuba and Vietnam.

Despite a threat by Morocco and Mauritania to quit, and a well-founded fear that their membership will split again on ideological lines as over Angola, the Organisation of African Unity has now agreed to discuss the recognition of Western Sahara at a special summit meeting later this summer.

Morocco and Mauritania have support and weapons from France and the U.S., but especially from the conservative Arab oil States, which fear for the fate of their brother monarch in Morocco in a confrontation with Algeria. They have kept the issue of Western Sahara firmly off the agenda of the Arab League, and are heavily subsidising the two pro-Western States in the expensive arms race now underway with Algeria.

All-out war in north-west Africa is not inevitable, though each month the nations of the Maghreb drift a little closer to it. What is now certain is that, if war should come, most borders in the area will be at stake, together with the survival of almost every regime. Most of all is this true of Mauritania, which is competing in a league far beyond its means.

Andreotti meets union leaders on economic plans

BY ANTHONY ROBINSON

ROME, July 19.

AFTER CONCLUDING the first round of official contacts with the political parties ranging from the Liberals to the Communists Prime Minister Giulio Andreotti this evening called in leaders of the three main trade union confederations as part of his patient strategy of defining the parameters of an economic programme which is both credible and applicable.

Given the balance of political forces which emerged from the last elections the Christian Democrat Party no longer enjoys *the sort of flanking support from* the smaller parties, including the Socialists, which gave a margin of flexibility for earlier Government-forming operations while the economic crisis, in spite of an ephemeral cyclical upturn in recent months, has underlined the need for close consultations with the trade unions.

Trade union leaders have underlined that hopes that the unions are prepared for some form of social contract on U.K. lines, as called for recently by *Governor of the Bank of Italy,* Paolo Baffi, is mere wishful thinking. But, after three days of inter-union talks here, the unions have declared their willingness to discuss greater union co-operation aimed at down*grading the salary element in* wage negotiations. A wage and salary ceiling (at a high level however of around L8m. annually—£5,300) above which payments due under current cost of living threshold index would be either blocked or temporarily frozen, self-discipline of labour absenteeism and the conversion of disruptive mid-week religious or bank holidays into holiday allowances to be taken en bloc. The unions have also expressed *willingness* to discuss a highly controversial reform of the current salary liquidation system under which employees receive substantial terminal payments *which form a large part of over-*all labour costs. One proposal, put forward by acting Prime Minister Aldo Moro's economic advisor Nino Andreatta, is for its *replacement by a system under* which presently accumulated liquidation rights would be respected but future terminal payments made out of monthly *contributions used expressly for* this purpose and not, as at present accumulated in a special fund by employers.

These proposals hardly amount to trade union willingness to acquiesce in an austerity policy while they have a long list of requirements which they expected the Government to fulfil—including commitments to higher investment, reorganisation of the State controlled industries and the public adminstration, a serious effort to combat tax evasion, priority treatment for the South, agriculture and public housing and indeed the whole litany of unsatisfied demands for a "new model" economy which are a permanent feature of the Italian scene

What is important is not the content but the style. The three main confederations have their political affiliations and the largest, the CGIL, is dominated by Communists, but only to a lesser extent by the Communist Party as such. By demonstrating his awareness of the need for consultations with the unions Sig. Andreotti is also demonstrating his awareness that the new Government, indeed any Government, is obliged to keep its channels of communication with the unions and the Left-wing parties open

After his meeting with the unions Sig. Andreotti proposes to spend to-morrow completing the draft Government programme to discuss with the various party delegations who he will meet again on Wednesday. Newly elected Socialist Party leader Bettino Craxi meanwhile had a further meeting with Communist Party leader Enrico Berlinguer to-day.

● **AP-DJ writes from Luxembourg:** European Investment Bank (EIB) announced on Monday five loans totalling L75.4bn., mostly for projects in Sicily and the mainland Mezzogiorno, in Southern Italy.

The *largest loan of L46bn.* for 12 years at 9.5 per cent. interest was granted to Istituto Mobiliare Italiano (IMI) which will pass on the funds to Societa Italiana Per L'Esercizio Telefonico (SIP).

A L20bn loan, also for 12 years at 9.5 per cent. interest, was granted to Cassa Per Il Mezzogiorno to help finance improved water supplies in the industrial zone of Syracuse, Sicily.

IMI also got a L14bn. eight-year loan at 9 per cent. interest to help construction of a plant that will produce high-speed diesel engines at Foggia, in the province of Apulia.

West German-U.K. offset talks await elections

BY ADRIAN DICKS

BONN, July 19.

THE FORMAL burial of the U.S.-West German military forces offset arrangements during Chancellor Helmut Schmidt's visit to Washington last week, welcomed by both sides as the removal of a potential irritant to relations, will have no direct effect on the future of the Anglo-German offset talks.

Following the official expiry of the current five-year agreement last March, there have been intermittent, references to the matter in bilateral contacts between Bonn and London, the most recent being during the Prime Minister's visit here three weeks ago. Although the possibility of a fresh agreement is said to be "under bilateral discussion," it is reliably understood that both sides once again agreed during Mr. Callaghan's talks with Chancellor Schmidt that serious negotiations would be delayed until after the October 3 Bundestag elections.

Simultaneously with the ending of U.S.-West German offset, Herr Schmidt and President Ford reached agreement on what may be a new form of support payment by the West Germans towards the cost of Allied forces stationed in this country. This was a DM171.2m. contribution to the expense of stationing a 3,800-man American brigade at Garlstedt, near Bremen, as part of the strengthening of Nato land forces in North Germany.

David Bell adds from Washington: Although this move will strengthen the overall combat position of its forces in Germany it does not mean an overall increase in American forces in the country as some support units are being withdrawn. The 3,800 man brigade is part of the 220,000 strong troop contingent in West Germany provided by the U.S. as part of its Nato commitment.

American officials stressed that the decision to end the offset agreement was taken jointly but it has been clear for some time that the West Germans have not been happy with it.

No coffee for Bonn's visiting tax men

By A. H. Hermann

A DIAMOND ring advertised much too cheaply, the acquisition of a loss-carrying company to which profits could be illegally transferred; these are typical examples of what may prompt a German taxman to start asking questions of third parties, possibly without having to give any warning to the suspect taxpayer. If the suspicion is only of something "fishy" and not necessarily criminal, I was told recently in Ministry of Finance in Bonn, the question might have to be put first to the taxpayer himself. Only if his explanations are not satisfactory, would the taxman ask the taxpayer's wife, bank and business associates. But though the German tax collector has this right to question right and left, and no hesitation in using it, he does not value it greatly: he can achieve even better results by moving in with the taxpayer and living with him, for years if necessary.

Not every German taxpayer, of course, needs to fear such guests. They are interested only in corporate hosts of some substance. Enterprises are divided, as potential hosts to group of tax visitors, into four categories. The two top categories include groups of companies and very large enterprises. They can expect that every 4½ years a team of at least five tax inspectors will arrive and stay for two to three years. The enterprise has to provide a suitable office, lighting and heating, but nothing beyond that. Morning coffee could be viewed as an attempt to influence the dreaded official. Small and very small businesses are spared the honour, while those in the medium-sized category can hope that the visitors will appear at much longer intervals.

The Bonn Ministry of Finance employs some 8,000 tax visitors and these are believed to have the highest cost/benefit ratio in the entire *German civil service.* The cost of paying and maintaining a tax visitor is estimated at DM50,000 per year. The average extra revenue obtained by a tax visitor is around DM500,000 a year, giving a ten-fold return on the investment. In 1974 the tax visitors helped to raise the total tax revenue of *West Germany by* DM3.6bn. Of this DM2.7bn. was obtained from the groups of companies or other very large firms.

Mystery group claims credit for bombs in Spain

BY ROGER MATTHEWS

MADRID, July 19.

SPANISH Government sources stress to-day that Sunday's wave of bomb attacks throughout the country would not deflect it from the path of political reform announced at the end of last week. Some 30 explosions were reported from different cities, nearly half of them in Madrid where serious damage was done to various Government buildings and two people injured.

A hitherto unheard-of extreme left wing organisation calling itself The Groups of Anti-Fascist Resistance (October 1) this morning claimed responsibility in a note sent to several journalists and newspapers. In the same note The Groups said they were *responsible for the murder of* four police officers on October 1 last year.

The co-ordinated timing of the attacks and the power of some of the bombs *is causing con-*siderable official anxiety and raising questions about security at official buildings. The eleven-storey headquarters of the State-run trade union organisation in Central Madrid was particularly badly damaged by two bombs and it will be several weeks before all the wreckage can be repaired.

SPAIN'S cost of living index ***fell 0.62 per cent. in June, it*** **was officially reported yesterday. A sharp 5.62 per cent. rise in May, however, brought inflation to a record 11.02 per cent. for the first six months.**

The fear among more liberal sections of the Government is that added pressure will now be mounted by the right wing to narrow the extent of the promised political amnesty. It was *stressed that* moves towards a more democratic system are so finely balanced that such acts of terrorism can have a powerful effect.

The four military members of the Cabinet are already known to be opposed to freeing anyone who can be remotely associated with "terrorism"—a term in Spain that can cover distributing leaflets for a group that has participated in violent acts—and still have several days in which to press their case. King *Juan* Carlos is due to leave Madrid at the week-end for a trip to the north-western province of Galicia during which he may announce the terms of the amnesty, the second since he took over as Head of State.

Most of the main opposition parties, *which have taken a* cautious if slightly welcoming line to the Government's announced programme view the terms of the political amnesty as of critical importance and will use it as a yardstick in gauging the Cabinet's intentions.

Left still active in Army, say Eanes

By Paul Ellman

LISBON, Jul

THE PURGING of Left-[...] from the Portuguese A[...] not yet complete, Pr[...] Antonio Ramalho Ean[...] dicated to-day.

At a swearing-in cerem[...] *his successor* as Army C[...] Staff, General Vasco [...] Vieira, the new Preside[...] the Armed Forces still [...] "hierarchy and discipline[...]

General Ramalho [...] warned the Army Ch[...] beware of "constant" a[...] to repeat last Nov[...] rebellion by Left-wing sc[...]

The President emerge[...] the shadows as the [...] responsible for crushin[...] November uprising and [...] on the reputation he[...] secured to win the Presid[...] elections last month.

As Army Chief of St[...] embarked on a wide-[...] shake-up in which thous[...] soldiers were either dismi[...] sent on indefinite leave.

General Ramalho Ea[...] known to regard this pr[...] incomplete and was [...] reluctant to run for the[...] dency for fear that thi[...] leave the Army once aga[...] to political intrigue.

Meanwhile, Dr. Mario [...] the Socialist leader na[...] President Ramalho Ea[...] Friday to head the first [...] ment of the new Republic[...] a series of discussions wi[...] and union leaders pr[...] announcing his Cabinet [...]

The Socialists, who h[...] *of the 262 seats in the* [...] Assembly, have said th[...] form a minority Gove[...] which would contain son[...] pendents and military m[...]

Dr. Soares is unders[...] have virtually completed [...] of Ministers which was or[...] expected to be preser[...] President Ramalho Eane[...] this week.

Soviet silence over SST plans

BY DAVID LASCELLES

SILENCE HAS descended over the Russians' plans for their supersonic airliner, the TU-144, suggesting that further technical problems have delayed its introduction into full service. At the moment the airliner is making only twice weekly cargo-only flights between Moscow and Alma Ata in Central Asia.

The last major statement about the aircraft came in May when the Deputy Minister of Civil Aviation, Mr. I. Razumovsky, was quoted as saying that regular passenger flights would "begin very soon, as planned."

But, he added that all Soviet aircraft had to undergo thorough testing before being declared airworthy, and no exceptions could be made, even for the TU-144, for prestige or commercial considerations.

No specific date was set for the start of passenger flights. But it was strongly suggested when the TU-144 began its cargo flights last Christmas that Aeroflot would start a regular passenger schedule in mid-summer. Since May, there has been no word of these plans.

The Russians are believed to have had a multitude of last-minute troubles with their SST. High fuel consumption, inadequate range, vibration and, of course, the memory of the Paris crash two years ago have all, at times, been blamed for delays. But though a Press flight was arranged for Soviet journalists, the Western Press has yet to be given a ride to see for itself.

The only announcement Aeroflot has made is that TU-144 *fares* will be the same as those for sub-sonic flights.

Meanwhile, the Russians have begun cautiously to enter the debate about the merits of *supersonic* flight, a subject about which they have usually kept quiet, even at the height of the controversy over admitting Concorde to the U.S.

The Soviet State Civil Aviation Research Institute has rebutted two criticisms of SST flight. There is no danger, it says, that supersonic flight will harm the *atmosphere* and cause an "oxygen hunger." Experiments have shown that the ozone layer is more impressive than had been expected.

Polish riot sentences

WARSAW, July 19.

SIX MEN involved in riots last month against proposed food price increases in Poland were to-day sentenced to between four and ten years in jail.

They were convicted of taking part in group violence and damaging public property at Radom, south of Warsaw.

The judge said the sentences were severe because some of the men had previous convictions and others were social parasites—a term for people who live on their wits. Press reports described the six as specially aggressive. The youngest defendant, aged 18, was jailed for six years.

The accused were identified by *Random shop assistants as being* among crowds of demonstrators who looted over 40 shops and kiosks and set fire to Party headquarters.

To-morrow the Warsaw District Court is due to announce sentences on seven accused who derailed a diesel locomotive during food riots near the Ursus tractor plant.

A further 19 Poles in Warsaw area were said to be *facing early* trial for offences during the food riots.

Polish leaders are considering reintroducing the price increases, but with rises at 35 per cent. instead of the proposed 69 per cent. that sparked the violence. *In talks with Party leaders* throughout the country, Party Leader Edward Girek has said the Polis hpeople should show understanding of economic *necessities. However, he also has* said the proposed 35 per cent. increase in meat prices would not be introduced immediately.

Reuter

Nato radio

By Our Own Correspon[...]

GIBRALTAR, Ju[...]

NATO communications [...] Gibraltar and Portug[...] *being strengthened* by [...] communications link u[...] Tropo scatter technique [...] part of the Nato commu[...] network in Gibraltar.

A *disk measuring* [...] across has been erected [...] the Rock, and a secon[...] due to go up this week. [...] here would give no det[...]

APPOINTMENTS

COMPANY NOTICES

SLOVENES IN AUSTRIA

The strident minority

BY PAUL LENDVAI IN VIENNA

THE AUSTRIAN Parliament unanimously adopted a law this month providing special protection and rights for minority *groups. Dr. Bruno Kreisky, the* Chancellor, claimed that hardly another European country made similar concessions to its minorities.

The *legislative package also* included a law calling for a special census in November to determine the number of people in the country speaking Slovene, *Croat, and Hungarian. The re*presentatives of the Slovene minority group promptly announced that they would boycott the census, described the package as a prelude to "statistical genocide" of the Slovene population in Carinthia, and appealed for support from Yugoslavia. Marshal Tito himself re*ceived the emissaries of the* Carinthian Slovenes and promised them full support in their fight against what a Yugoslav Government statement described as a "flagrant violation of the 1955 State Treaty of Human Rights, and of the spirit of the Helsinki Conference."

What is the background to a row between neutral Austria and non-aligned Yugoslavia, which has also caused acts of limited violence in Carinthia over the years? Monuments have been blown up, walls daubed with slogans, and increasingly tense demonstrations and counter-demonstrations staged. Why cannot Austria, which for many years has waged a struggle for the rights of the German-speaking minority in Alto Adige (to the Austrians South Tyrol), and proudly claiming an unblemished record of social peace, solve a seemingly minor ethnic problem affecting well under 1 per cent. of the population?

Leaving aside the Croat and the *even smaller Hungarian* groups in the easternmost province of Burgenland, the minority problem boils down to the treatment of the Slovenes, living in compact groups, primarily in Southern Carinthia, bordering on Yugoslavia. The Slovenes, who belong to the family of South Slavs, have lived in and around the province of Carinthia for some 1,300 years. When last month Austria and Carinthia celebrated the millenium of Carinthia, because in AD 976 the area seceded from Bavaria and became an independent duchy, the Slovene representatives were absent from the festivities. They regarded them as an attempt to falsify history, to deny the older Slav history of Carinthia and thus to create legitimacy for the gradual elimination of the Slovenes as a people of their own in Carinthia.

About a century ago Slovenes still accounted for one-third of the Carinthian population. In 1910 the last language census taken by the Austro-Hungarian monarchy recorded the existence of 66,463 Slovenes, nearly one-fifth of the region's inhabitants. *After 1918 Yugoslavia,* the newly born kingdom of Serbs, Croats, and Slovenes, claimed large chunks of Carinthia and there were armed clashes between Yugoslav troops and Austrian volunteers. At the same time a plebiscite on October 10, 1920 in the disputed zone in southern Carinthia, resulted in a 59 per cent. majority vote for Austria Clearly many Slovenes who constituted 68 per cent. of the population must have voted for Austria But as pointed out by Austria's foremost expert on minority questions, Professor Theodor Veiter, the first Austrian republic failed to honour the clauses in the treaty of St. Germain which were designed to protect the minority. In contrast to the time of the Hapsburg monarchy when the Slovene language was allowed in the administration and courts, and *south of Klagenfurt,* the provincial capital all railway stations carried dual-language signpost, the Slovenes in Austria were subjected to pressures.

With the Anschluss of Austria to Germany and above all following Hitler's invasion of Yugoslavia in 1941, the Slovenes, still numbering 42,757 in 1939, became the target of brutal repression Hundreds of Slovene families were deported from Carinthia. Many Slovenes joined Marshal Tito's partisans who in 1945 occupied large areas of Carinthia and paid back in kind, kidnapping and killing several hundred German-speaking Carinthians, who rightly or wrongly were denounced as Nazis. Yugoslavia again raised territorial claims, initially supported by Stalin. But Yugoslavia's expulsion from the Soviet camp put an end to those expansive dreams.

The Austrian State Treaty, *signed in 1955* by the U.S., the Soviet Union, Britain, and France, and subsequently also by Yugoslavia, opened what seemed to be a hopeful new phase. In addition to recognising Austria's 1938 borders, the treaty clearly spelled out Austrian obligations to the minority, including the setting up of bilingual signposts in areas with Slovene, Croat, or mixed populations in Carinthia, Burgenland, and Styria. The state treaty did not refer to figures or to a count of the minorities concerned.

After a promising beginning, both the federal and the provincial Governments missed the unique chance of solving the Slovene problem in the euphoric mood generated by the end of the occupation of Austria. Attention was devoted only to the fight for the rights of the German-speaking minority in South Tyrol, but aside from the establishment of a *Slovene* secondary school in 1957 in Klagenfurt little was done for the Austrian Slovenes. Meanwhile a series of post-war censuses showed a reduction of the Slovene minority from 43,179 in 1951 to 25,472 in 1961 and fewer than 20,000 in 1971. Reverting to the tactics of the past, nationalist Austrian elements successfully tried to split the minority into nationally-minded Slovenes and "loyal" Slovenes *who allegedly speak a separate* language, called Windish. In fact, however, this is according to all serious experts merely a Slovene dialect and cannot by any stretch of imagination be called a language in its own right.

The so-called Heimatdienst, a chauvinistic organisation claiming 50,000 members which was banned until 1955, began a massive nationalist campaign. It culminated in the large-scale *celebrations of the 50th anniver*sary of the 1920 plebiscite. This in turn led to an escalation on the other side. Monuments of partisan heroes and those devoted to the memory of the veterans of the 1919-20 battles against Yugoslavia wer[...] up. The Slovene orga[...] and the Yugoslav Gov[...] pressed for the fulfilmen[...] State Treaty.

In the summer of 1[...] Kreisky's Socialist Gov[...] badly advised by local po[...] pushed a law through the [...] Parliament providin[...] bilingual signposts in t[...] of the 1951 census in 20[...] and towns where Slover[...] up more than 20 per cen[...] local population. Pent[...] sions exploded in the [...] Signpost War. Pan-Germ[...] down, often with th[...] approval of the police, t[...] erected bilingual signpos[...] was intended to be a lo[...] due step towards the f[...] of the State Treaty tu[...] to be a major political [...] Dr. Kreisky to-day says [...] law on the signposts [...] single most serious [...] mistake committed by [...] ernment. It led to a ma[...] back for the ruling Soc[...] the provincial elections [...] an ominous fillip to extr[...] both sides. The Sloven[...] sation, now domina[...] younger and more nat[...] elements, rejects any [...] special census referring [...] the State Treaty, and t[...] periences of the past wh[...] counts merely served t[...] the apparent rise of th[...] The Pan-German extrem[...] for a fight and for [...] against the "danger [...] slovenisation of Carint[...] prelude to making t[...] claims." They speak of [...] thousand Slovenes" who [...] are the "most privilege[...] *ity in Europe.*" Slovene [...] claim that the minority [...] over 50,000 persons.

The Government, aft[...] ious negotiations, has [...] consensus with the two [...] tion parties by coupling [...] about minority protect[...] material promotion with [...] try-wide special cens[...] Kreisky maintains that [...] no question of making [...] of the Slovene minority a[...] that the concession to [...] *to them will not* depen[...] results of the count. Yet [...] signposts will be set up [...] villages where the [...] account for "about 25 p[...] of the population. This [...] dently the price he ha[...] for the consent of the [...] tion. But the Slovene [...] have served notice that [...] boycott the census. [...] minority really follow[...] everybody will be bac[...] they started.

Carinthia with a popu[...] 525,000 is one of Austri[...] beautiful areas. But be[...] facade tensions are mour[...] the consequences may [...] *another threat to pe*[...] stability in south-east Eu[...]

Criticism of Kreisky rejected

THE week-end criticism of Austrian Chancellor Bruno Kreisky in Pravda, the Soviet newspaper, was unanimously rejected yesterday by the Austrian Press, writes Paul Lendvai from Vienna.

Pravda, singling out a speech made by the Chancellor two weeks ago, complained that he thanked the U.S. for liberating Austria from Soviet occupation when in fact it was the Soviet Union that undertook "enormous efforts" to conclude the Austrian State Treaty in 1955. The Austrian Socialist newspaper AZ said to-day that Dr. Kreisky did not belittle the Soviet role in Austria's liberation in 1945 but was speaking about a period when most Austrians wanted to be liberated from the Soviet "liberators."

However, political circles here feel that the sudden attack on Dr. Kreisky was merely a pretext to vent increasing irritation with the Austrian leader's recent series of anti-Communist statements.

هكذا اصل الأصل

Bank sets aside £14.3m. for 'lifeboat' losses

MICHAEL BLANDEN

BANK OF ENGLAND has [se]t aside a further £14.3m. to [cover] possible losses on its loans [to] the City's "lifeboat" support operation for secondary [banks]...

[The] provision follows the [£...] put aside in the previous [year a]gainst possible losses on [the Ba]nk's 10 per cent. share [of] lifeboat aid. The figures [do not s]tate the amounts involved, [but t]he total has been partly [offset] by an undisclosed reduc[tion in] the provisions required [for B]ritish Government and [other s]ecurities.

[The] total support operation has [been r]educed by more than 20 [per ce]nt., the Bank says in its [annual] report. At the beginning [of the] financial year in March [last y]ear, it stood at about [£1bn.], with more than 20 [parti]cipating companies in[volved,] of which 16 were still...

[The] Bank's comment suggests [that by] the end of February this [year, w]hen the accounts were struck, the support operation was down to just over £800m. The Bank says: "During the year all the surviving companies significantly reduced their dependence on the support group, some dispensing with it altogether."

The Bank gives no further details, but the companies which were able to dispense with lifeboat support no doubt included Mercantile Credit, which had £166m. of support loans at the time of the Barclays takeover offer, as well as Bowmaker, which was able to pay off its lifeboat loans with the help of a £20m. loan from a syndicate of banks.

It is known that First National Finance Corporation, one of the largest secondary banks supported by the lifeboat, reduced its lifeboat borrowings from a peak of £360m. to £289m. at the end of April.

The special provisions have hit the Bank of England's profits in its banking department, which would otherwise have amounted to about £30m. The accounts show that the banking department's operating profit after the provisions was £15.9m., against £13.0m. in the previous year. The latest figures, howevr, have gained relatively by the absence of any further additional provisions for retirement benefits, which absorbed £12.1m. in the previous year.

The figures again show the impact of inflation on banking accounts. The Bank has not yet adopted Sandilands-style inflation accounting, but again used the current purchasing power method of adjusting its figures.

This shows a banking department's loss of £3.1m., compared with an inflation-adjusted loss of £5.3m. in the previous year.

The payment made to the Treasury by the banking department was again £6m. Profits of the note issue payable to the Treasury by the issue department dropped from £700.1m. to £582.7m.

Britain accepts accounts rule

BY MICHAEL BLANDEN

THE U.K. accounting bodies are to produce a new accounting standard to enforce rules on the publication of consolidated accounts established by the International Accounting Standards Committee.

The new rules are in line with the generally accepted practice in the U.K. and are not expected to make any significant difference to the way in which accounts are presented.

The standard means that for the first time the publication of consolidated accounts by companies will be laid down as a requirement by the accounting profession.

Disappointment

The international standard will represent a considerable advance in a number of countries where the publication of consolidated accounts is not normal practice. It should, the IASC says, "greatly extend the comparability of financial reports of groups of companies in different countries."

There are signs of some disappointment in the U.K. that the international proposals have not gone further to deal with some of the remaining problem areas involved in producing consolidated figures.

It is felt that at some stage the profession will have to get to grips with more detailed problems such as the presentation of accounts for companies involved in a number of acquisitions or disposals where comparisons of consolidated accounts may not be very meaningful.

The international standard has been simplified in response to the widespread comments aroused by the Committee's draft proposals published in December, 1974.

The comments received from 20 different countries showed a feeling that the proposed standard was too detailed and that the positions taken by the IASC were not supported by sufficient discussion.

Requirement

The standard now imposes a general requirement that consolidated financial accounts should be issued by a parent company.

In defined circumstances, it is required that the equity method of accounting—which takes in the appropriate share of an associated company where the parent has significant influence without formal control—should be applied.

The questions of how to consolidate the figures and how to deal with equity accounting are dealt with in a separate discussion section.

The international standard is to be effective for financial statements covering periods ending on or after December 31, next year.

The U.K. and Irish accounting bodies intend to publish their own standard before that date so that companies will comply with the international standard.

The IASC was set up in June, 1973, with the backing the professions of nine leading countries, and has already produced two standards of accounting practice.

Terry Kirk

The first Cabinet meeting of the day on "public spending cuts" continues on the doorstep of 10, Downing Street. Mrs. Shirley Williams stops to talk to Mr. Harold Lever (centre). Mr. John Morris (right) and Mr. Albert Booth (back left) are about to join them.

Whitbread go-ahead for lager brewery

By Kenneth Gooding, Industrial Correspondent

WHITBREAD said yesterday that development of its proposed lager brewery at Magor, South Wales, would go ahead, after a two-year postponement. First estimates in September 1973 put the cost at £12m. Whitbread expects now to spend £30m.

There is to be a second phase of development which would add £20m. of investment at this year's prices.

Whitbread, the third largest brewing group, says that the new brewery will create between 500 and 700 jobs, the final figure depending on what type of beers are produced.

Giving details of the timing, Mr. Alex Bennett, the chairman, said a racking (keg-filling) hall, maturation tanks and filtration tanks would be installed in time for commissioning in 1978. The brewhouse, fermentation and canning phases would follow closely, to be ready in 1979.

The brewery should produce 250,000 bulk barrels of lager (288 pints a barrel) in 1979, and output would gradually rise to 1m. barrels a year.

In the 1980s the extra £20m. will be spent to lift the final capacity to 1.8m. barrels, making Magor biggest brewery in the Whitbread group.

No closure

The brewery will be on a 51-acre site. The group has no plans to shut other breweries when it starts producing.

It is needed to cope with the dramatic rise in demand for lager, and in particular for Heineken, the brand Whitbread produces under licence from the Dutch group. Mr. Bennett said that sales of draught Heineken had doubled in two-and-a-half years. Most forecasters in the brewing industry expect lager to account for at least 30 to 40 per cent. of the total beer market by the mid-1980s.

Magor will be the third brewery built by Whitbread since 1969.

A further £6m. is being spent at Samlesbury and £1m. at Luton. Some £2m. of the Samlesbury investment has gone on a lager-canning plant.

Government raises public service pensions 13.8%

BY PETER HENNESSY, LOBBY CORRESPONDENT

PENSION INCREASES of 13.8 per cent. were announced for just over 1m. retired people servants by the Government yesterday.

The increases, which will come into effect on December 1, will cost £108m. in a full year.

The Cabinet was forced by the chaotic state of its legislative timetable to abandon at the last moment a plan to amend the 1971 Pensions (Increase) Act, which links public service pensions to movements in the retail price index.

The civil service unions had, since January, repeatedly been led to expect a new scheme limiting pension increases to £6 a week, with no increase for public service pensioners receiving more than £8,500, to bring them into line with the Government's pay policy.

Union leaders met Lord Shepherd, the Lord Privy Seal, three weeks ago and came away with the reinforced impression that fundamental changes were planned.

In the meantime, however, the Cabinet decided that there was no time to alter the 1971 Act before the statutory instrument authorising the new increase came before Parliament next month.

The increase, geared to movements in the Retail Price Index between June last year and last month, means a rise of £2.40 a week in the average public service pension from £17.50 to £19.90.

Beneficiaries

The beneficiaries include 378,000 former teachers and local government employees, 290,000 former civil servants, 100,000 former Health Service employees, 83,000 former police and firemen and 268,000 ex-servicemen.

Ministers said yesterday that this year's increase was only half the 26.1 per cent. awarded last year and less than the 15.04 per cent. increase for a single old age pensioner due to take effect in November.

Public service pensions are funded on a "pay-as-you-go-basis" rather than on the accruing liability principle of private sector schemes. They are calculated on the basis of 1-80th of the final year's salary plus a further 3-80ths for every year served.

Eighty-three former diplomats and civil servants will now receive pensions of more than £8,500. Some have written to Lord Shepherd expressing concern at the size of their benefits in a time of pay restraint.

He has replied that they may return their increase to the Exchequer if they wish.

Last year's 26.1 per cent. increase, which came shortly after the announcement of the new £6 pay limit, brought a storm of protest. The Government's frustrated intention to change the basis on which public service pensions are calculated was a response to that outcry.

Unit trust managers satisfied

[Ch]ristopher Hill

[UNIT] TRUST managers are [fair]ly satisfied with sales for [the mo]nth because the normal [seasona]l decline is less than [expecte]d, in view of currency [turmoil] and the relatively static [state] of the stock market.

[Gross] sales were down from [...] to £27.7m., and repur[chases] lower from £13.6m. to [...]m., leaving net new invest[ment v]irtually level-pegging at [...]. The June figures are [similar] to June last year.

[...]se it was a relatively [...] month the Unit Trust [Associat]ion is at pains to indicate [long]-term comparisons. For [...], while total sales for [...] are below the monthly [average] of £32.6m. for the first [...] this year, they were above [the] monthly average last [...]

[...] repurchases were the [...] this year and "appreciably [...]"

UNIT TRUSTS

Sales

Repurchases

1973 1974 1975 1976

[...] the monthly average for [the] six months, £15m. [...] of £196m. for the first [...] of this year are better [...] of the same period [...] (£177m.) and outstrip [...] in the first half of [...] repurchases are up to [...] year compared with [...], leaving net new [...] at £61m. lower, at [...] Again, these figures [...] for 1974.

[...] value of funds in the [...] the statistics covering [...] were marginally lower [...] than in May, at [...] The number of unit-[holder] accounts is down by [...] at 2.16m.

[...] funds and international [...] head lists of trusts [...] and there is still [...] stream of share [...] business, where people [...] private portfolios for [...]

[There w]as no particular impact [...] launches, though the [...] include the launch [...] International Fund, [...] the most significant [...] the month is that unit-[...] continue to be stable [...] in equities despite the [...] economic problems.

[Rev]ised offer [for] drydock

[...] Wyles

[...]LAND Shipbuilders dis[closed y]esterday that it was [making a] fresh attempt to break [the dead]lock over the possible [takeover] of Greenwell Dry[docks by] Bristol Channel Ship[repairers].

[The Sc]underland Board has [...] own a Bristol Channel [...] for Greenwell for £3,000 [...] proposed in turn that [...] would be acquired [...] final rent of £1 a year [...] years with Bristol being responsible for [...] rents, rates and other charges.

[...] offer is conditional on [the B]ristol Channel satisfying local [...] and shiprepairing [...] substantial additional [work] would be provided.

Felixstowe docks sale upheld

BY JOHN WYLES, SHIPPING CORRESPONDENT

EUROPEAN FERRIES' battle to retain control of the Felixstowe Dock and Railway Company suffered a serious setback in the High Court yesterday.

After hearings last week, Lord Chief Justice Widgery dismissed European Ferries claim that a £5.24m. agreement selling Felixstowe to the British Transport Docks Board should be declared void.

Immediately after the hearing it was announced that an appeal would be heard by the Court of Appeal on July 26, by Lords Denning, Scarman and Lane.

Yesterday's decision switches the spotlight back to the Lords, where the private Bill to acquire Felixstowe is at the moment in its committee stage.

In spite of fierce lobbying by European Ferries, the Bill has made fairly steady progress through Parliament and the takeover will go through providing the legislation receives Royal Assent by November 15.

European Ferries, which acquired Felixstowe for £6.4m. in April, argued in the High Court that the agreement made last November with the Docks Board was improperly made in the first place, that it did not involve agreement to promote a Bill, that it was against Article 86 of the Treaty of Rome aimed at preserving free competition and that it had suffered a "material alteration" which rendered it void.

Lorries barred

Only this last point on "material alteration" was upheld by Lord Widgery. The change in the Bill had been made in the Commons and Lord Widgery said that he was satisfied that Felixstowe's only reason for seeking to cancel the agreement was to escape from the contract and not because the alteration was unacceptable.

Our Labour Staff writes: All cargo traffic through Felixstowe was halted yesterday by a 24-hour strike of 800 dockers in protest against a ballot on whether the port should be taken over by the nationalised British Transport Docks Board.

The present owners, European Ferries, conducted the ballot of employees which showed that a majority of those voting were in favour of the port remaining in private hands.

Britain wins £5m. nuclear contract

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN has won a nuclear export contract expected to be worth £5m. to £10m. over the next decade to help Iran set up a "safety and reliability" organisation for her nuclear power programme.

The contract, awarded to the United Kingdom Atomic Energy Authority, includes making a full safety assessment on all Iran's nuclear power installations.

Iran has recently placed the first orders—with West Germany and France—for a nuclear programme expected to total about 23,000 MW by the mid-1990s.

The programme, then expected to provide half that oil-rich nation's energy requirements, is being implemented by the Iranian Atomic Energy Authority.

Iran has recently decided to set up an independent nuclear inspectorate combining the functions of three separate bodies in Britain—the Nuclear Installations Inspectorate of the Health and Safety Executive, the National Radiological Protection Board, and the safety and reliability directorate of UKAEA.

Dr. Walter Marshall, deputy chairman of UKAEA, who led the U.K. in negotiations for the safety contract, said it had been won "basically because of the high safety reputation of the U.K."

The contract involves extensive training of Iranian safety staff at Harwell, and by the Nuclear Installations Inspectorate and the National Radiological Protection Board. The project is being managed by the Authority's safety and reliability directorate in Lancashire.

Wool textile production rose slightly in May

BY KEVIN DONE, INDUSTRIAL STAFF

THERE WAS a further moderate rise in wool textile production in May, according to the Wool Industry Bureau of Statistics. All the increase was accounted for by the worsted sector and there was a slight decline in woollen manufacture.

The consumption of wool continued to rise in May, and for the first time in many months there was a rise in the consumption of man-made fibres.

Wool consumption in the five months January to May was 12 per cent. up over the same period last year at 53.23m. kg., of which the worsted sector accounted for 22.58m. kg. a rise of 24 per cent., and the woollen sector for 30.65m. kg. a rise of 4 per cent.

There was a sharp rise in production of both wool and man-made fibre tops. Woollen yarn production fell slightly, the decrease being all in weaving yarns, and there was a further steady decline in deliveries of woven fabrics and blankets.

Deliveries of worsted yarn showed a moderate increase, all in hosiery yarn, but deliveries of carpet, weaving and hand-knitting yarns remained level.

On the imports front, wool-predominant yarns increased by 22 per cent. to 2.08m. kg. of which the Irish Republic accounted for 1.6m. kilos, in the first four months of the year, an increase of 26 per cent.

Imports of wool-predominant fabrics from January to April rose by 17 per cent. to 4.8m. sq. metres. But wool tops, blankets and man-made fibre fabrics containing wool all fell in the first four months of 1976 compared with the same period last year.

Imports of woven and knitted outer garments rose in the first four months of the year to 72.1m., as against 63.6m. in the same period last year.

BP and Shell licensed for land oil search

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH PETROLEUM and Shell are among 11 companies granted new licences to explore for oil and gas on land.

The new round of onshore licences, covering 5,944 square miles, does not confer the right to drill for or to produce oil and gas. It merely allows companies to search for hydrocarbons by prospecting and geological survey. Drilling is restricted to a depth of 350 metres.

The Department of Energy has granted 16 licences. They include land in the Highlands of Scotland, Humberside, North and West Yorkshire, Lancashire, Lincolnshire, the Midlands, Dorset, Wiltshire, Hampshire, Clwyd and Salop.

Methven resigns

By John Elliott

MR. JOHN METHVEN, director general of the CBI, has resigned from the Government's committee of inquiry on industrial democracy, chaired by Lord Bullock, because of pressure of work.

He was appointed to the inquiry last winter when he was Director General of Fair Trading. But since he moved to the CBI last month to take over his new job he has found it increasingly difficult to attend the inquiry's regular meetings and last week offered his resignation to Mr. Edmund Dell, Secretary for Trade.

If he had stayed on the inquiry team, Mr. Methven may have had a problem in trying both to air the "independent" voice for which he was appointed and to reflect the CBI's outright opposition to the TUC's worker-director plans. However, it is understood that TUC leaders would have been happy for him to have remained, even though this would have meant a strengthened employer representation.

His departure may save him from possible embarrassment when the form of the Bullock report takes shape, as there is a strong possibility that some of the employer representatives will want to produce a minority report dissenting from the TUC's ideas.

There are no plans to appoint a replacement because work on the inquiry is so far advanced that it would not be practical for a newcomer to research all the ground the team has covered during the last six months. Preparations are now being made to write early drafts of the inquiry's report which is due to be delivered to the Government at the end of this year.

Grendon loan stock holders delay vote on redemption

BY KEITH LEWIS

THE FATE of property group Grendon Trust, which owns Monotype Corporation, was still in the balance yesterday after shareholders of the £6.9m. of 11 per cent. unsecured loan stock, 1978-81, voted on a show of hands to adjourn the extraordinary meeting to consider whether to accept proposals to redeem the stock or face liquidation.

The original proposal, made last month, was to offer loan stock holders £40 cash per £100 nominal of stock. Accountants Turquand Barton Mayhew had estimated a yield of £35 per £100 in the event of a liquidation.

The terms offered to loan stock holders were improved at yesterday's meeting by the addition of £20 per £100 of 11 per cent. subordinated loan stock, 1976-81.

The new proposals were not put to the vote. The principal holders of the loan stock, led by Morgan Grenfell, said insufficient notice of the improved offer had been given to holders.

After an adjournment of 30 minutes the meeting approved a proposal to adjourn to allow for talks with the principal holders in the next two days and for the preparation of a formal document based on the new terms.

Because 21 days notice of the meeting must be given it is not expected that the new extraordinary meeting will take place in less than 30 days.

It is believed that had the original resolution been put to the meeting it would have been defeated and Grendon would have faced the immediate prospect of liquidation.

Mr. Derek Wilde, the chairman of Keyser Ullmann, which has a large commitment to Grendon, appealed to loan stock holders to accept the revised proposals to ensure the future of the Monotype Corporation subsidiary, which employs 2,000 people.

He said in spite of the present losses of Monotype of between £400,000 and £800,000 a year, without allowing for foreign exchange gains of £300,000, it would be wrong to push Grendon into liquidation.

Although Monotype was financially independent it would be unreasonable to expect the group to escape unscathed in the event of a Grendon liquidation. Last week Deutsche Bank, one of Monotype's creditors, asked for repayment of a £600,000 loan.

Keyser Ullmann originally lent £17m. to Mr. Christopher Selmes' group, CST Investments, to buy Grendon. This has been written off.

In addition, Keyser Ullmann has £2½m. in overdraft facilities extended to Grendon. It has subscribed for £4½m. preference capital and will have to put up £2.8m. to finance the current proposal to redeem the loan stock.

In answer to questions by accountant Mr. Joseph Moate, representing holders of £163,000 of the loan stock, Mr. Wilde said Keyser Ullmann was "certainly not in danger of becoming insolvent."

Lex Back Page

Drought plans prepared

By Donald Maclean

ALTHOUGH the recent rain has given some relief from drought, plans went ahead last night to introduce emergency measures when the Government's drought Bill is law.

This is expected in the present session of Parliament.

In East Anglia, parts of which have been particularly badly hit, there are plans to restrict water use on sports grounds, including golf courses, cricket pitches and bowling greens, and for commercial car washes.

Similar measures are likely elsewhere, leaving priority use of water to agriculture, industry and food-processing plants.

Encouraging news came from the West Country, where the situation was said to be under control since the rain. It was one of the worst-hit areas.

A summary of the situation in other badly-affected areas is:

South-East Wales — Water supply to some towns has been cut off at night, and industry asked to cut consumption by about a third; **Leeds-Harrogate** — Pressure reductions were introduced last week; **Northampton-Peterborough** — Restrictions are likely next month, when drought legislation is in force.

'Monetary supply targets should be published'

BY MICHAEL BLANDEN

STRONG ARGUMENTS for publication of specific targets for monetary policy in the U.K. are set out in the latest bulletin from stockbrokers W. Greenwell.

The comments come when the Government is thought to be considering adoption of more public money supply targets.

The Chancelor has confined himself to setting monetary policy in the general context of the growth of money national incomes, while indicating that if there were any sign of excessive expansion of the money supply action would be taken by monetary or other means to bring it under control.

But Mr Gordon Richardson, Governor of the Bank of England, referred to the arguments for more specific monetary targets in a speech last month. It is thought possible further moves could come in the context of the expected public spending cuts announcement.

The Greenwell bulletin also forecasts a reduction in the public sector borrowing requirement below the budget forecast of nearly £12bn. for the current financial year. But it says present evidence suggests "a downwards revision of only about £1bn."

Commenting on the monetary targets issue, the bulletin says: "It is well known that foreign central bankers are exerting pressure on the U.K. to reduce the public sector deficit; it would appear likely that they are also exerting pressure for explicit published monetary targets."

The main objective would be to provide a clear discipline for public policy in relation to inflation and government spending. The Government would be publicly committed to giving highest priority to fighting inflation."

Three deny negligence over colliery disaster

THREE colliery officials appeared in court yesterday accused of negligence over the Houghton disaster in which five miners died.

Mr. Brian Walsh, prosecuting at Barnsley magistrates' court, said it was not the intention to point the finger of blame for the cause of the explosion and deaths at the South Yorkshire pit last year.

Pit manager Mr. Harry Widdowson, 57, of Mount Vernon Road, Barnsley, under-manager Mr. Brian Douglas Bradley, 45, of Ancona Rise, Darfield, and Mr. Colin Wright, 55, deputy, of Byron Street, Great Houghton, pleaded not guilty to a total of nine counts alleging negligence. Widdowson faces two charges Bradley three and Wright four.

Mr. Walsh said the explosion happened in the mine's Meltonfield seam 1,000 feet below ground. Five men died and a sixth was seriously hurt.

Cause of the blast was the ignition of gas which had accumulated in a place which had not been ventilated for nine days, said Mr. Walsh.

The cause of the ignition was sparking from an auxiliary fan that had been out of action for nine days since two workmen saw it sparking.

SPORT

East Germany's outstanding man and woman swimmers are engaged to marry, Kornelia Ender disclosed yesterday. The 18-year-old high school girl who holds five world records said she is engaged to Roland Mathes, 25, king of the backstroke.

Miss Ender is among the favourites tipped to gain most medals during the 1976 Montreal Olympics.

Pakistan held by Spain

PAKISTAN, the 1968 gold medallists and one of the favourites, were held to a 2-2 draw by Spain, the European champions, in their second match of the Olympic hockey tournament.

Spain went ahead 2-1 eight minutes from time, but Pakistan, who had one *man off under* temporary suspension for a foul avoided defeat when Munawar converted a long corner three minutes later.

MICHAEL THOMPSON-NOEL looks into the East German sports phenomenon

Terrific—or un-Olympic?

WITH AN air of suspense so tangible you could bottle it, the Olympic encampment in Montreal is holding its breath in readiness for the Gold Medal trawl that the German Democratic Republic is about to cast. When that breath is expelled, it will sound like a great sighing *raspberry*.

The trouble is that the East Germans have made a science of success, which is somehow un-Olympic.

Although its population is less than a third of Britain's, East Germany has devoted enough of its resources to transform itself into the ultimate sports State. It rears world record holders by the acre.

The East Germans have come to Montreal with world records in seven of the 15 women's Olympic track events, while its *wundermadchen* have made a clean sweep of 13 records in women's swimming.

In the weightlifting, super-heavyweight Gerd Bonk will be challenging Russia's Vasily Alexeyev and Khristo Plachkov of Bulgaria (with a name like Bonk he's halfway there).

Sprinter Renate Stecher, backstroke swimmer Roland Matthes, and freestyle-butterfly champion Kornelia Ender (Matthes' fiancee) should contribute freely to the medal total.

And with the East Germans expected to gather in more honours in soccer, canoeing, cycling and rowing, they could win 35 Gold medals—possibly more than the U.S., and more than Britain has won in the past nine Olympics.

Although they have been an Olympic nation only since 1968, East German exploits in the next fortnight should haul them from 18th to around 12th in the *all-time medal lists*.

East Germany's astonishing progress in world sport since the late 1960s has earned the country the role of Mr. Punch. After their exploits at the Innsbruck Winter Olympics this year—they were unwise enough to win seven Gold, five Silver, and seven Bronze medals—the East Germans were attacked with every slur in the book.

They were described as chilly, humourless disciplinarians, obedient robots, computerised musclemen. One writer, wallowing in silliness, said "these perfect specimens of humanity have won the title of the world's most unlovable people."

Given all that, and a lot more too, I'm rooting for the GDR. The lie to the fictions spun about the East Germans can be provided by Miss Ender, their versatile 17-year-old blonde swimming star, who has come to Montreal to win as many sprint medals as she can. In the East German Olympic trials in Berlin in the spring, she set world records in the 200 metres individual medley, the 100 metres and 200 metres freestyle, the 100 metres butterfly and the 100 metres *backstroke*.

There is nothing robot-like or muscle-bound about Kornelia. She is pretty and shy, although she will be fighting it out with America's Shirley Babashoff—the top U.S. hope in the 100, 200, 400 and 800 metres freestyles, and the 400m. individual medley—Ender will fight like a lady.

I was at poolside for the first clash between these two, in the semi-finals of the 100m. freestyle, Ender in lane four, Babashoff in lane seven. Ender set off like a torpedo, led at the turn, and sped home in 55.82 secs.—1.13 up on Babashoff.

I was still at poolside when they collided in their first final—the four x 100m. medely. East Germany won the gold medal in a world record time of 4:07.95, America the silver, and Canada, amid a frenzy of excitment, the bronze. One up to Kornelia, who swam the last leg. The British girls finished sixth, just ahead of Japan.

What impresses Miss Babashoff about the East German swimmers is not their world records—timed to the hundredth of a second, swimming records seem to be beaten every half-hour—but their strength in depth.

Strength in depth is what the East Germans go in for.

Part of the background to East Germany's expansionist sports *policy is its simple desire to* improve the health of the citizenry.

Over-eating is a serious national ailment in the GDR, and the incidence of circulatory ailments is considered too high. The Government has spent money on encouraging the populace to try low-calorie diet foods, and is also worried by the fact that 50 per cent. of the 18-year-olds smoke.

The *nation's constitution* specifically states that sport is essential to the fullest "development of a socialist personality"—which is where the West's allegations of disciplinarianism creep in.

The East German attitude is that sport is the right of the people, not a privilege, or a business. Physical education in schools is compulsory. So is swimming. More than 300,000 East Germans are at least part-time coaches or officials.

The demand for facilities is never quite assuaged. East German television devotes a fifth of its air-time to sport, while talent scouts scour factories and playgrounds for promising young athletes.

West German riflemen look like top shots

WEST GERMAN marksmen were the provisional winners of the gold and silver medals in the rifle, prone position competition at L'Acadie. The bronze medal was wide open, with Canadians, Swiss and Italians tied for third place.

Unofficial scores gave Karlheinz Smieszek, from salzgitter, West Germany, top score of 597 points out of a possible 600. His team-mate Ulrich Lind was in second place with 595.

Early on it seemed that Danish rifleman Henning Clausen would win the bronze medal with 593, but he was overtaken by Hans Adlhoch (Canada), Anton Mueller (Switzerland), and Walter Frescura (Italy) each with 594.

Verified scores were not expected until about three hours after the shooting finished.

If the official scores confirm the three-way tie for third place, the bronze medal will go to the marksman with the longest consecutive string of bulls.

This would make Italy's Frescura the favourite. He had two unbeatable rounds of 100, but it would take only one of these scores possibles to be disallowed to rob him of a medal.

David Wilkie

THE QUEEN arrived for her first visit to the Olympic pool just in time to see a record swim by Britain's Duncan Goodhew—and then a disappointing performance by much-fancied Scot David Wilkie (pictured above).

Wilkie was only fifth fastest qualifier for the semi-finals stages.

Goodhew, a 20-year-old from East Sussex, who has been at North Carolina university for *the past 10 months, confirmed* all his promise by a heat win in 1 minute 4.92 seconds. He held the Olympic record for only about six minutes before Arvidas Iuczaytis of Russia beat it.

Wilkie, 22, took 1 minute 5.19 seconds dead-heating with the Canadian Graham Smith, by his strong finish.

This swim probably worried the British supporters more than it worried tall Wilkie—a past master in the art of doing just enough in the preliminary stages.

John Hencken of the United States, equalled his world record to clock the fastest heat time and go forward to the semi-finals.

Hencken, Olympic champion over 200 metres, came home in 1 minutes 3.88 seconds to equal the mark he set two years ago.

Reigning Olympic champion *Nobutaka Taguchi, of Japan,* surged in second in the same heat in 104.65 to set the second fastest time in the five heats.

A third Briton, David Leigh, also qualified for the semi-finals, winning his heat in 1-06-12.

Gordon Dowgie, a 21-year-old Scot studying in the U.S., reached the 200 metres freestyle final in 1 min. 52.47 sec., battling all the way with West German Peter Nocke, never more than a touch between them.

Action against walk-out nations deferred a year

MONTREAL, July

THE INTERNATIONAL Olympic Committee decided to-day to take no immediate action against African nations which have walked out of the Montreal Games in protest against New Zealand's Rugby Union tour of South Africa.

After the IOC held a two-hour meeting, its first since the week-end boycott, Australian member David McKenzie told reporters that action would be deferred until the 1977 session in Prague, and after consultations with the international *federations* which govern individual sports.

The IOC will be holding further meetings here before the end of the games, but me said no sanctions woul imposed here against th countries which have pulle

Mali and Swaziland a the organisers of their drawal to-day.

Earlier, Mr. Jean-C Ganga, secretary-general c Supreme Council for Spc Africa, said that he had everything possible to sav games.

He said he had asked the delegate from New Zealan Lance Cross, to try to pe his *Government to call ba* All Blacks Rugby team their tour.

Reuter.

British women last in rowing heats

BRITAIN'S two crews failed to make any impression against the leading European nations on the opening day of the first Olympic women's rowing regatta on Notre Dame Island.

Both the coxed four and the coxless pair finished last in their heats and will row in Wednesday's repechages.

The coxed four of Pauline Bird, Diana Bishop, Clare Grove, Gillian Webb and cox Pauline Wright were pipped out of place by the American fo finished just over 10 s behind the winners, East many, the world champion

London physical edu teachers Linda Clark and Mitchell struggled in their coxless pairs heat, which tained four of last year's championship finalists, trailed the field home 11 s behind West Germany.

Finals

SWIMMING

MEN

200M. BUTTERFLY: 1. M. Bruner (U.S.) 1 min. 59.23 sec. (World and Olympic record); 2. S. Gregg (U.S.) 1:59.54; 3. B. Forrester (U.S.) 1:59.96; 4. R. Pyttel (E. Ger.) 2:0002; 5. M. Kraus (W. Ger.) 2:00.46; 6. B. Brinkley (GB) 2:01.49; 7. J. Delgado Jr. (Ecu) 2:01.95; 8. A. Manachinskiy (USSR) 2:04.61.

WOMEN

4 X 100M. MEDLEY RELAY: 1. East Germany 4:07.95 (World and Olympic record); 2. U.S., 4:14.55; 3, Canada, 4:15.22; 4. USSR, 4:16.05; 5, Netherlands, 4:19.93; 6. Britain (J. Beasley, M. Kelly, S. Jenner, D. Hill), 4:23.25; 7. Japan, 4:23.47; 8. Australia, 4:23.91.

YACHTING

Duva find best wind

THE GERMAN Admiral' yacht Duva was an easy at the weekend of the Ocean Racing Club's atlantic race from Be Only four yachts started, o 20, a disappointing ent this race which comes aft Onion Patch series.

Ron Amey's Noryem second home and Chris ning's Marionette V, crossed the Nab Tower fi line at the eastern end Solent at 1.32 a.m. yes was third.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on July 19, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the area other than Scheduled Territor Scheduled Territory; (o) official rate; (l rate; (T) tourist rate; (n.c.) non comi rate; (n.a.) not available; (A) approxima *no direct quotation available;* (sg) sellin (bg) buying rate; (nom.) nominal; exchange certificate rate; (P) based o dollar parities and going sterling-dolla (Bk) bankers' rate; (Bas) basic rate; commercial rate; (cn) convertible rate financial rate.

Sharp fluctuations have been seen in the foreign exchange market. Rates table below are not in all cases closing r the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	295 (sg)
Afghanistan	Afghani	86 (A)
Albania	Lek	(O) 10.10 (A) (nq)
Algeria	Dinar	7.40
Andorra	French Franc	8.74½
	Spanish peseta	120.75
Angola	Angola Escudo	55.70
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(O) 248.48
Australia (S)	Australian $	1.4348
Austria	Schilling	32.50
Azores	Portug. Escudo	55.70
Bahamas (S)	Ba. Dollar	1.7745
Bangladesh (S)	Taka	26.56 (sg)
Bahrein (S)	Dinar	0.701
Balearic Is.	Spa. Peseta	120.75
Barbados (S)	Barbados $	3.5490
Belgium	B. Franc	(cm) 70.60 (fn) 71.60
Belize	B$	3.5490
Benin	C.F.A. Franc	457¼
Bermuda (S)	Bda. $	1.7745
Bhutan	Indian Rupee	15.94
Bolivia	Bolivian Peso	35.48
Botswana (S)	S. A. Rand	1.54182
Brazil	Cruzeiro	19.50
Br. Solomon Is (S)	Australian $	1.4348
Br. Virgin Is (S)	U.S. $	1.7745
Brunei (S)	Brunei $	4.4556
Bulgaria	Lev	1.7204
Burma	Kyat	11.98
Burundi	Burundi Franc	161.615
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	457¼
Canada	Canadian $	1.7509
Canary Is.	Spanish Peseta	120.75
Cape Verde Is	Cape V Escudo	55.70
Cayman Is. (S)	Cay. I. $	1.4787
Cent. Af. Rp.	C.F.A. Franc	457¼
Chad	C.F.A. Franc	457¼
Chile	C. Peso	(Bk) 22.97
China	Renminbi Yuan	3.46729
Colombia	C. Peso	(F) 61.91
Comoro Is	C.F.A. Franc	457¼
Congo (B'ville)	C.F.A. Franc	457¼
Costa Rica	Colon	15.2607
Cuba	Cuban Peso	1.4707
Cyprus (S)	Cyprus £	0.7555
Czechoslov'ka	Koruna	(com) 10.25 (n/c) 20.40 (T) 17.85
Denmark	Danish Krone	10.95
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	1.7745
Ecuador	Sucre	(O) 44.10 (F) 48.68
Egypt	Egyptian £	(O) 0.70 (T) 1.22
Ethiopia	Ethiopian $	(P) 3.6774
Eq'l Guinea	Peseta	120.75
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	10.95
Fiji Is. (S)	Fiji $	1.59305
Finland	Markka	6.885
France	French Franc	8.74½
Fr. C'tyin Af	C.F.A. Franc	457¼
Fr. Guiana	Local Franc	8.74½
Fr. Pac. Is.	C.F.P. Franc	159.00
Gabon	C.F.A. Franc	457¼
Gambia (S)	Dalasi	4
Germany East	Ostmark	(6A)

Place and Local Unit		Value of £ Sterling
Germany West	Deutschemark	4.57¼
Ghana (S)	Cedi	2.04
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.4348
Greece	Drachma	65.2495
Greenland	Danish Kroner	10.95
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	8.74½
Guam	U.S. $	1.7745
Guatemala	Quetzal	1.7745
Guinea Rep.	Syli	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	4.5250
Haiti	Gourde	8.8725
Honduras Rep.	Lempira	3.549
Hong Kong (S)	H.K. $	8.76875
Hungary	Forint	(com) 77.16 (n.c. T) 66.57
Iceland (S)	I. Krona	331.10
India (S)	Ind. Rupee	15.94
Indonesia	Rupiah	736.417
Iran	Rial	(A) 124
Iraq	Iraq Dinar	0.5255
Irish Rep (S)	Irish £	1.00
Israel	Israel £	14.3858 (bg)
Italy	Lira	1.487
Ivory Coast	C.F.A. Franc	457¼
Jamaica (S)	Jamaica Dollar	1.9519
Japan	Yen	521½
Jordan (S)	Jdn. Dinar	0.579 (sg)
Kenya (S)	Ken. Shilling	14.98
Korea (Nth)	Won	n.a. (g)
Korea (Sth)	Won	858.74
Kuwait (S)	Kuwait Dinar	0.522
Laos	Kip	n.a.
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	1.54182
Liberia	Liberian $	1.7745
Libya	Libyan Dinar	(P) 0.525526
Liechtenstein	Swiss Franc	4.48½
Luxembourg	Lux Franc	70.60
Macao	Pataca	12.7625
Madeira	Portug'se Escudo	55.70
Malagasy Rp.	MG Franc	427⅜
Malawi (S)	Kwacha	1.5544
Malaysia (S)	Ringgit	4.46575
Maldive Is (S)	Mal. Rupee	n.a.
Mali Rp.	Mali Franc	874½
Malta (S)	Maltese £	0.7556
Martinique	Local Franc	8.74½
Mauritania	Ouguiya	♣
Mauritius (S)	M. Rupee	12.5616
Mexico	Mexican Peso	22.15
Miquelon	C.F.A. Franc	457¼
Monaco	French Franc	8.74½
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Montserrat	E. Caribbean	4.80
Morocco	Dirham	7.66 (sg)
Mozambique	Moz. Escudo	55.70
Nauru Is.	Aust. Dollar	1.4348
Nepal	Nepalese Rupee	24.45
Netherlands	Guilder	4.85½
Neth. Ant'les	Antillian Guild	3.176555
New Hebrides	Franc	141.55
	Austl. Dollar	1.4348
N. Zealand (S)	N.Z. Dollar	1.78816
Nicaragua	Cordoba	12.46
Niger Rp.	C.F.A. Franc	457¼
Nigeria (S)	Naira	1.108
Norway	Nrwg. Krone	9.93¼
Oman Sultanate of (S)	Rial Omani	0.612
Pakistan	Pkst. Rupee	17.21 (sg)
Panama	Balboa	1.7745
Papua N.G. (S)	Kina	1.4348

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	[illegible]
P'p'ls D. Rp. of Yemen (S)	S. Yemen Dinar	[illegible]
Peru	Sol	[illegible]
Philippines	Ph. Peso	[illegible]
Pitcairn Is. (S)	£ Sterling	[illegible]
	New Zealand $	[illegible]
Poland	Zloty	[illegible]
Portugal	Port Escudo	[illegible]
Port Timor	Timor Escudo	[illegible]
Principe Isle	♥♥	[illegible]
Puerto Rico	U.S. $	[illegible]
Qatar (S)	Qatar Ryal	[illegible]
Reunion Ile de la	French Franc	[illegible]
Rhodesia	Pound	[illegible]
Romania	Leu	[illegible]
Rwanda	Rwanda Franc	[illegible]
St. Christopher (S)	E. Caribbean $	[illegible]
St. Helena (S)	£ Sterling	[illegible]
St. Lucia (S)	E. Caribbean $	[illegible]
St. Pierre	C.F.A. Franc	[illegible]
St. Vincent (S)	E. Caribbean $	[illegible]
Salvador El	Colon	[illegible]
Samoa Am.	U.S. $	[illegible]
San Marino	Italian Lira	[illegible]
San Tome	♥♥	[illegible]
Saudi Arabia	Ryal	[illegible]
Senegal	C.F.A. Franc	[illegible]
Seychelles	S. Rupee	[illegible]
Sierra Leone (S)	Leone	[illegible]
Singapore (S)	Singapore $	[illegible]
Somali Rep.	Som Shilling	[illegible]
Sth. Africa (S)	Rand	[illegible]
S. W. Africa Territories (S)	S. A. Rand	[illegible]
Spain	Peseta	[illegible]
Span. Ports in North Africa	Peseta	[illegible]
Sri Lanka (S)	S. L. Rupee	[illegible]
Sudan Rp.	Sudan £	[illegible]
Surinam	S. Guilder	[illegible]
Swaziland (S)	Lilangeni	[illegible]
Sweden	S Krona	[illegible]
Switzerland	Swiss Franc	[illegible]
Syria	Syria £	[illegible]
Taiwan	New Taiwan $	[illegible]
Tanzania (S)	Tan. Shilling	[illegible]
Thailand	Baht	[illegible]
Togo Rp.	C.F.A. Franc	[illegible]
Tonga Is. (S)	Pa'anga	[illegible]
Trinidad (S)	Trin. & Tobago	[illegible]
Tunisia	Tunisian Dinar	[illegible]
Turkey	Turkish Lira	[illegible]
Turks & Ca.	U.S. $	[illegible]
Uganda (S)	Ug. Shilling	[illegible]
Utd. States	U.S. Dollar	[illegible]
Uruguay	Uruguay Peso	[illegible]
Un'd A'b Emis	U.A.E. Dirham	[illegible]
U.S.S.R.	Rouble	[illegible]
Upper Volta	C.F.A. Franc	[illegible]
Vatican	Italian Lira	[illegible]
Venezuela	Bolivar	[illegible]
Vietnam (Nth)	Dong	[illegible]
Vietnam (Sth)	Piastre	[illegible]
Virgin Is. U.S.	U.S. Dollar	[illegible]
Western Samoa (S)	Samoan Tala	[illegible]
Yemen	Ryal	[illegible]
Yugoslavia	New Y Dinar	[illegible]
Zaire Rp.	Zaire	[illegible]
Zambia (S)	Kwacha	[illegible]

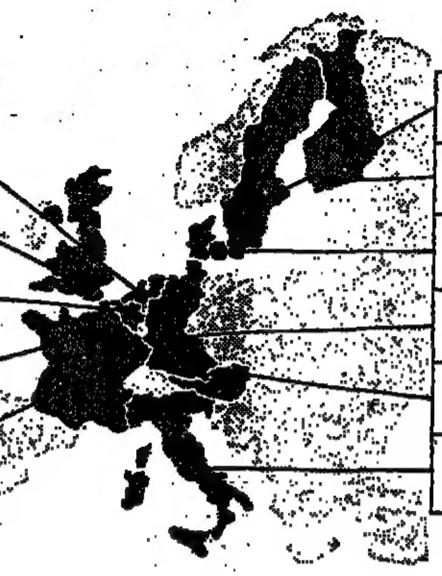
● That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
●● Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.
●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.1156 Rh. dollars to £1.
♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs. 5 to one unit of the new currency.
(x) General rates oil and iron exports 7.4520.
(g) The Mongolian tugrik has lately been reported at an official commercial rate of 0.225 Russian the North Vietnamese dong at 0.386 roubles North Korean won at 0.7493 roubles. With th standing at 1.33 roubles the following relationshi be calculated for the pound: £=5.91 tugriks; dongs £=17.75 won.
♥♥ Information not available for this edition.
• Rate is the Transfer market (controlled).
•• Rate now based on 2 Barbados $ to the dollar.
BCRA 442.48.
‡ Now one [illegible] rate.
(h) Following devaluation.

هكذا أصل الأصل

NEWSLETTER

from *London & Continental Bankers Ltd. and its Shareholders*

CENTRALE RABOBANK, THE NETHERLANDS
S.G. WARBURG & CO. LTD., GREAT BRITAIN
CERA – CENTRALE RAIFFEISENKAS, BELGIUM
CAISSE NATIONALE DE CRÉDIT AGRICOLE, FRANCE
BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL, FRANCE



FÖRENINGSBANKERNAS BANK, SWEDEN
OSUUSPANKKIEN KESKUSPANKKI OY, FINLAND
ANDELSBANKEN A/S DANEBANK, DENMARK
DEUTSCHE GENOSSENSCHAFTSBANK GERMANY
GENOSSENSCHAFTLICHE ZENTRALBANK AG, AUSTRIA
BANCA NAZIONALE DELL' AGRICOLTURA, ITALY

Statement by the Chairman, Lord Shawcross

ondon & Continental Bankers Ltd. Enjoy Good Results

July 1976 — In his foreword to the Annual Report as larch, 1976, the Chairman, Lord Shawcross made the comments:

Year's Results

.k's policy and pro- ely reflects our assess- current economic ns in the first half of nder report we main- policy of cautious hich we had pursued y the second half of world conditions to hall refer again later, some amelioration. whole year our loan increased by some the year before and rofits were up by 20%. ction with several of holders, London & al Bankers Ltd. man- co-managed inter- or United Kingdom lling some $ 780 mil- t the number of coun- which we did busi- ased from 35 to 43.

urse of the year we trade investments hope will assist in pment of our general We acquired an in- a substantial leasing Mietfinanz GmbH, Mülheim (Ruhr), and have taken a share of the equity in a new merchant bank in Zurich, established as a joint venture by London & Continental Bankers Ltd. together with several of its own shareholder banks and the Swiss Volksbank. The results reported by both companies for 1975 were encouraging and in addition to being valuable investments in themselves we expect that cooperation with both companies will in many ways assist in the expansion of our international activities.

Taken together and in existing circumstances our results for the year may be regarded as satisfactory and providing a sound basis for future expansion.

Our Shareholders

I mentioned in my Foreword to last year's report the great importance of our association with our shareholder banks on the Continent being the leading cooperative banks and including some of the biggest banks in Europe representing between them over 40,000 local branches. These banks have enjoyed considerable growth and success during the past year, as the "profile" presented in this Report well illustrates. It is our constant endeavour to develop this association and during the past year advantage was taken of many opportunities of cooperation with our shareholders. The cooperative banking movement has continued to evolve and although its original aims remain as valid and important as when they were conceived, the cooperative banks, with their very substantial funds, have shown themselves resourceful and imaginative in seizing the new opportunities which the developing situation presents. London & Continental Bankers Ltd. note their intention to play an increasing part in international banking and will continue to support and assist in these aims wherever possible.

Prospects

We look forward to the coming year as one in which, in this association with our shareholders, we shall continue to make sound progress. It is intended in particular to develop the loan activity concentrating efforts in the multi-national corporate sector. To this end senior executives with wide experience in their respective fields have been appointed to head up the European marketing effort, and to establish a business development office in New York which will be responsible for North America.

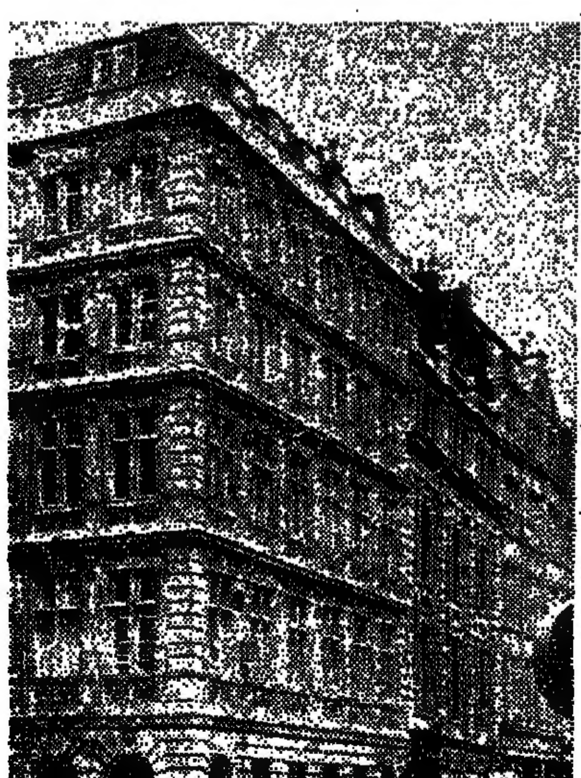
This process of expansion both on the part of our shareholders and ourselves should be assisted by the somewhat more promising economic climate. In the United States economic recovery is continuing at a more rapid rate than elsewhere, but in Canada, Japan and Germany, significant progress is being made, although not at the dynamic rate experienced in the States. France also has improved but unfortunately in the other Western European countries the same progress has not yet taken place and some are still in recession although some light is beginning to show through.

This is the case even in the United Kingdom. It is true that Sterling has dropped to a lower level than the authorities had contemplated and that this level reflects continuing international anxiety at the country's high rate of inflation. It is true, also, that throughout the coming year the inflationary differential in favour of other countries is likely to continue. It must be said, however, that at the current rate (at the time of writing) of $ 1.83 to the £, the effective depreciation is somewhat excessive. Earnings induced inflation, running at 26% 18 months ago, will, after allowing for wages drift, probably be at a rate of 13—15% in the year ending July 1976, and is likely to be reduced to around 8—9% in the following year. This rate whilst still too high will, if it is achieved, indicate a degree of success by the Government in controlling the situation.

Unfortunately, a strict control over profits whilst politically necessary to secure the agreement of the Trade Unions to a severe limitation of earnings under the so-called Social Contract, discourages the massive investment in industry which is now so necessary. Taking all factors into account, I anticipate that the United Kingdom's economic position will improve in the coming year although it will still lag behind many of the other industrialised countries, and will not make a permanent recovery until the Government, by reducing excessive taxation and permitting reasonable profits, encourages long term investment.

The business of London & Continental Bankers Ltd. is, however, not linked solely to the United Kingdom, but is increasingly international. We look forward with confidence to the coming year.

LCB Management (left to right) — Brian D. Campbell, joint Managing Director; George H. Hoffman, joint Managing Director; Raymond Davidson, Senior Advisor; Lord Shawcross, Chairman.



head office in the City of London

owing Business cessitates Move

uly 1976 (CBGMBH).

1975, London & Con- ankers Ltd. moved story building, in the he City at Throg- enue. From here the management directs its international operations with emphasis on loans in foreign currencies and Sterling, foreign exchange, money market trading, and participation in international loan syndication.

A Profile on LCB's Majority Shareholder

DG Bank and the German Cooperatives

DG BANK Deutsche Genossenschaftsbank with headquarters in Frankfurt (Main), is the central institution of the cooperative banking group in the Federal Republic, the central bank for the German cooperatives in general, and a commercial and investment bank offering comprehensive services to a domestic and international clientele of prime corporate customers, public authorities, and other banks.

Cooperative enterprises are established and operated for the benefit of their members who are both their owners and their customers. The cooperative idea originated mainly in 19th century Germany. Friedrich Wilhelm Raiffeisen (1818—1888) and Hermann Schulze-Delitzsch (1808—1883) were the most prominent pioneers of the movement in this country. Cooperative enterprises have become a major economic factor; there are over 14,000 individual cooperative enterprises with more than 12.7 million memberships in the Federal Republic.

The 5,100 local cooperative banks, generally called "Volksbank" (people's bank) or "Raiffeisenbank", are owned by over 7.6 million members and operate 19,500 offices — the densest banking network in West Germany and, indeed, Western Europe. These banks manage close to one fourth of all savings deposits in the German banking system. At year end 1975, their total assets amounted to DM 148,000 million.

The local cooperative banks own ten regional banks (with combined total assets of DM 39,600 million) who in turn hold 76% of the capital in DG BANK; the remaining 24% are held by central cooperative trading and service organizations and public authorities including the individual West German states and the Federal Republic, a statutory shareholder. The central institution of the German cooperative banking system, incorporated under special legislation, was founded in 1895 as Preussische Central-Genossenschaftskasse.

Hong Kong where Deutsche Genossenschaftsbank maintains a representative office

From 1949 to 1975 it was known as Deutsche Genossenschaftskasse (DGK). In January 1976, the name was changed to Deutsche Genossenschaftsbank or, for short, DG BANK.

The DG BANK serves the group as liquidity manager and, in cooperation with the regional banks, enables the local cooperative banks, regardless of their size, to offer competitive and complete banking services. Complementary financial facilities ranging from mortgages and home loans to factoring and leasing, and from portfolio management to insurance, are provided by DG BANK's subsidiaries and associated companies. On the other hand, DG BANK links the cooperative banking group with the domestic and international money and capital markets. DG BANK and the central institutions of other Western European cooperative banking systems have founded London & Continental Bankers Ltd. (LCB) in London and Bank Europäischer Genossenschaftsbanken (B.E.G.) in Zurich. In both cases DG BANK is the majority shareholder. Moreover, the bank is a partner in BHF-BANK-DG International, Luxembourg, and operates representative offices in New York and Hong Kong. Recently DG BANK has acquired a four per cent interest in Northland Bank of Winnipeg, Calgary, Canada, an institution established through cooperative initiative.

As the central bank for all West German cooperatives, DG BANK does business with the central institutions of the agricultural, industrial, trade, and service cooperatives representing strong organizations: Their annual sales or operating income exceed DM 100,000 million. The agricultural purchasing, processing, marketing, and service cooperatives (over 6,700 enterprises with 1.7 million members) together with the industrial, commercial, and trade cooperatives (over 900 enterprises, 239,000 members) have annual sales of more than DM 90,000 million. In agriculture the cooperative market share amounts to more than 50%, and the commercial cooperatives command a strong position particularly in the German retail trade. The annual turnover of the more than 100 consumer cooperatives with close to 1.5 million members approaches DM 8,000 million. Over 1,300 cooperative building societies (1.6 million members) house almost four million people, and the seventy transport cooperatives of the Federal Republic (15,000 members, annual operating income over DM 5,000 million) handle almost 97% of all long distance road freight.

Kraig Klosson appointed LCB Chief Executive for North America

London, July 1976 (CBGMBH). – In May of this year, Kraig Klosson was appointed Chief Executive for North America. His base of operation will be New York, in close proximity to the shortly to be opened branch office of the majority shareholder, DG BANK of Frankfurt, Germany.

CERA – Belgium's leading Cooperative Banking Group with 1,000 offices

Leuven, July 1976 (CBGMBH). — With more than one million accounts and 116,000 owner-members, CERA is among the foremost financial institutions in the Belgian private banking sector. The bank is at the same time the largest private savings bank. In 1975, savings deposits grew by 20% reaching BF 72.3 billion. During the same period the bank's loan portfolio increased by 9.6% to a total of BF 35.5 billion.

CERA is the central institution of the Belgian Raiffeisen Organization. Its principal strengths are in the domestic banking field, where it plays an important role not only in servicing the agricultural sector but also in financing the private home market. CERA is a full-service bank offering a wide choice of financial services including participation in the Eurocheque system and the country's Creditexport Pool.

Since the necessary legislation has now been passed, CERA is actively developing its international business with London & Continental Bankers Ltd. serving as an excellent base in one of the world's leading financial centres, London.

For further information write or call London & Continental Bankers Ltd.:

2, Throgmorton Avenue
London EC2N 2AP
Telephone: 01-638 6111
Telex: 88 53 26/88 58 27
R.B.N. Madill, Secretary

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

£1.3m. Kent plant in operation

THE GEORGE Kent group last week formally opened its £1.3m., 7,500 square metre Foster Cambridge factory at St. Neots in Huntingdon. The ceremony was performed by Franz Luterbacher chairman of Brown Boveri and Co., which now holds a 54.5 per cent. interest in Kent.

Work for the new plant, approaching a value of £1m., had been directed to St. Neots as a result of Brown Boveri orders from Saudi Arabia and Qatar for desalination plants, from Nigeria for a power station, and from South Korea for a steel works. Foster Cambridge will supply temperature and level indication and recording devices from the Clearspan and other ranges now reaching full volume at St. Neots.

Employing 500 people on the site plus a 150-strong sales organisation, the St. Neots factory has a single level uninterrupted shop floor divided into two distinct areas, one broadly containing mechanical work and the other electrical and assembly operations. The majority of key mechanical parts are made in large well equipped machine shops and painting of cases, cabinets and other components is performed in a totally automated electrostatic spray shop, into which items are fed suspended on an overhead conveyor system.

In production at St. Neots are the latest P100L instruments able to record 37 different ranges of voltage, current and resistance on 100 mm. paper, the larger process "workhorse" 250L indicator-controller, the company's circular chart recorder and the Fielden range of level controllers.

● PROCESSING

Light beam cutting advances

LASER Cutting (LCL) has taken delivery of a third Ferranti carbon dioxide laser. This machine will be used for development and feasibility trials on a number of new cutting applications and will go into commercial operation later this year.

LCL is operating at its South Wales plant two 500-watt Ferranti M.F. 400 lasers of this type mounted on specially designed profile machines. The two machines are involved in high accuracy cutting operations on various materials. Typical contracts include short-run production batches of complex components in stainless steel, or intricate wooden die boards for the carton and packaging industry.

The third laser will be mounted on a new profiling machine and used for development work on high-speed cutting techniques for thin gauge materials, including plastics for the sign industry. Among the projects planned is the laser scribing of ceramics for the electronics industry.

Laser Cutting, Croespenmaen Industrial Estate, Crumlin, Gwent. Newbridge 243999.

● TRANSPORT

Designed for heavy loads

TASKERS Trailers is introducing an 82-ton low loader, the first of a number planned to meet the needs of the heavier end of the market.

The trailer incorporates Taskers walking beam suspension, with the four axles being arranged in two rows.

A distributed 65-ton load can be carried on the trailer and concentrated loads of up to 60 tons can be carried on the rear of the bed. Each axle of the larger trailer is rated at 13 tons giving a maximum axle capacity of 52 tons. The trailer kingpin is rated for 30 tons.

● COMPUTERS

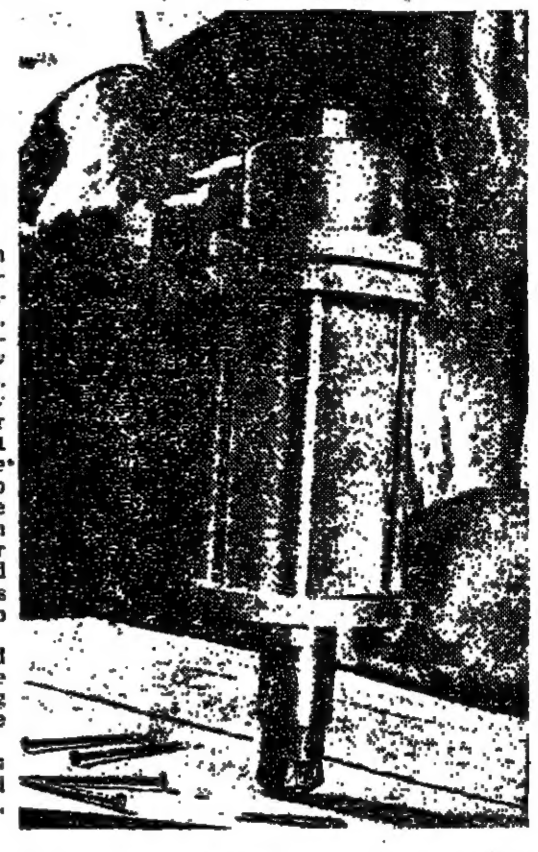
Quart goes into a pint pot

PROGRAMS which have been written for much larger computers—and much more expensive ones—in the IBM 370 stable, can be run on the Prime 300 computer which will not normally support more than 64k programs.

This has been achieved by designing a program loader which treats the Prime as if it were a much bigger machine with a far larger core. Up to 64 operating segments are defined and there are up to seven levels of overlaying while four new commands are applied and several existing standard ones deleted. There is no need to modify the source code.

The loader is being offered through the Prime software brokerage scheme and is being operated by CAD in Cambridge and Sir William Halcrow.

Further details from John Henderson, Wootton Jeffreys and Partners, 3 Old Bridge Street, Hampton Wick. 01-977 0108.



This pneumatically powered hand tool for removing nails, staples and similar fastenings from timber packaging, crates, casks and pallets has been introduced by Dickhurst and Chalk (1964) of Letchworth, Herts. It has a pair of specially shaped hardened steel jaws which, when the trigger is pressed, are closed over the head of the nail by the action of a pneumatically driven sleeve. Having gripped the fastener, further travel of the sleeve exerts an even pressure on the wood thus completing the withdrawal of the fastener with the minimum of damage to the timber surface. Releasing the trigger causes the sleeve to retract, the jaws to open and the nail to be released. Fasteners up to three inches long can be extracted, including nails which have been cleated over. The tool operates at 60-100 psi air pressure.

Siemens in micro bid

FOLLOWING quickly on the announcement that Thompson-CSI in France is to second-source the Motorola 6800 microprocessor and its supporting devices, Siemens has laid claim to a dominant position in Europe with a group of processors belonging to four integrated circuit families.

The latest micros offered are in the SAB 4080 system which, with the 4-bit microprocessor of the same designation for universal applications in N channel MOS technology and a cycle time of 1.5 microseconds, is a Siemens development.

Of the three further families, the SAB 8080 8-bit system (N channel, cycle time 2.0 microseconds) is most prominent. Its type number corresponds to the Intel Corporation's 8080—Siemens is co-operating with Intel in microcomputers.

Because of this co-operation, Siemens also distributes the two other processor families of the Intel range, of which the SAE 4004/4040 P channel double series with either 10.8 microseconds and 46 instructions or 12.5 micro seconds and 60 instructions are significant.

As the fastest microcomputer line, the SAB 3002 system (Schottky, bipolar type) for difficult applications is being made available to the equipment manufacturer.

The new SAB 4080 system's 4-bit microprocessor includes a set of 120 instructions, eight 4-bit general-purpose registers, four internal instruction registers of 16 bits each, one 16-bit address computing unit and four 12-bit base address registers.

Further details from Siemens AG, Postfach 3240, D-8520 Erlangen 2, Federal Republic of Germany.

Clocking-on speeded

ACCORDING to International Time Recording Company there is a prevailing preference among shop floor employees for the clock card as opposed to any of the newer methods of recording attendance, mainly because it allows them to make their own time/money calculations from a visible record.

But the collection of clock cards and the subsequent manual wages calculations are labour intensive, so the company has devised a way of extracting the information from the clocks, feeding into a processor and providing input suitable for a computer.

Each employee's time card carries his own identification in the form of punched holes in the bottom left hand corner; it is otherwise exactly the same as a normal clock card. When the employee clocks in or out his code is read and sent to the central unit where the time is added and the information stored electronically. By virtue of a code derived from the shift times, the system knows if a man is clocking in or out. Known as Kronos, the entire system is controlled by a quartz clock.

Up to ten clocks can be connected to the central unit and 100 employees can be allocated to each clock. In theory employees could pass through at one per second on each of the ten recorders at the same time, so that a 1,000 strong workforce can clock in or out within two minutes without loss of data.

Philosophy behind the system is that there is no change to the conventional clocking procedure. There is no mechanical lock on the card while it is in the receiver to cause employee frustration, and the card always remains within his sight. The ITR designers have ensured that there is nothing to cause difficulty or irritation to people who have used conventional time recorders for many years. On the other hand, costs saved in time/wages offices could be large claims the company. More from 414 High Road, Chiswick, London, W4 5TF (01-995 8081).

Better than paper tape

WRITE-ONLY cassette recorder to replace paper tape punches has been put on the market by Cristie Electronics, PO Box 18, Stroud, Glos., GL5 1NE (0452 812688).

It is plug-compatible with many of the paper tape punches in use eliminating interfacing and software problems. Cassettes are written to the ISO 3407 world standard, also known as ECMA 34, ANSI, and BS 5079. They can therefore be read by most modern systems and terminals including those from Facit, Philips, Olivetti, ICL, Texas and Cristie. The unit measures only 200 by 150 by 300 mm.

Among the advantages of moving from paper tape is the doubled storage capacity of 281,000 characters on a single side, silent operation, easy handling and physical storage, and simple loading and unloading. The error rate is also at least one order better, and the cassettes can be used over and over again.

● RESEARCH

Design to cut down noise

SOUND Research Laboratories has issued a technical report on machine noise testing and reduction to assist engineers, designers and architects to obtain the best siting of plant and machinery to give acceptable factory environments.

An "average" factory machine has an expected working life of at least ten years, although some continue to work efficiently for many years more.

It is thus plain commonsense to plan constructively at the design stage for the control of noise emission from equipment. Post facto remedial work is expensive and only too often unsatisfactory.

Present and impending noise control legislation means that many companies will have to step into line and take positive steps to reduce plant noise levels, or face claims for damage with no means of defence. Many have so far ignored recommendations, possibly because they imagine that conformity within premises is enough. However, residents near noisy plants can also lodge complaints and succeed in having the nuisance abated.

The report analyses the 1972 code of practice in relation to new and existing equipment and shows how to select equipment and test for noise. It studies the economics of noise control and methods of treating interior surfaces—ceilings, walls, screens and enclosures.

The report details the various methods of control on the source, the transmission path and the operator.

Sound Research Laboratories is at Holbrook Hall, Little Waddingfield, Sudbury, Suffolk CO10 0TH.

● MACHINE TOOLS

Bodies for vehicle silencers

MOON BROTHERS of Birkenhead says it has produced a machine incorporating several new design features for the production of vehicle silencer bodies.

The machine has resulted from collaboration with TI Silencer Services, a major user of this type of machine with whom Moon Brothers recently reached agreement to exchange production know-how as part of a turnkey project service.

This latest machine is suitable for producing round or oval section silencer bodies from flat sheet of either single or double thickness. It will handle sheet thicknesses up to 1.5mm single skin or two skins each 0.75 mm thick and lengths up to 1,000 mm can be produced with diameters or diagonals between 60 and 280mm. Output is up to 400 silencers an hour. Sheets can be fed manually or automatically.

WHITBREAD

AND COMPANY LIMITED

Reversing the downward trend

a statement for the year ended 28th February, 1976, the Chairman, Mr. nnett, reports:—

year's work dramatically reversed the downward trend of 1974/75, and l in increasing our pre-tax profits, excluding those of Long John, to nearly or about 43%. This was achieved not simply by increased beer sales, by the brilliant summer, but by increased performance and improved y in almost every sphere of the business—free trade, managed houses os, and soft drinks.

ver, we have to see these results against a background of disappointing last year and, therefore, particularly in times of acute inflation, we have a longer view than one year to put the progress of the Company in true ive:

	1973/74	1974/75	1975/76
	£000	£000	£000
profits	25,672	21.457	30,581
s per share	4.64p	4.61p	6.08p

l be seen that, taking a two-year view, profits have increased by only r a period when inflation increased by 47% and, therefore, we have not le to hold our own with inflation, and our profits over two years have been insufficient to finance our investment requirements for the future. , in the last few weeks, we have made an arrangement for an eight-year £20m. through a consortium of London Banks, and this will fund the n plans of your Company for some years ahead.

excluded Long John in quot- profit figures for the sake of v. as we acquired this Com- ut halfway through the year. Long John performed well lifficult conditions for the industry, and achieved the of profitability made at the the acquisition. It has great for the future, particularly ·as markets.

icouraging that there are now signs from the Government ı the Trade Unions that they lised at last, but only just :hat inflation was driving this to the brink of disaster. I hat we are all prepared to :o a reduced standard of liv- ecognise that the first priority all, to beat inflation and ıdustrial profitability, invest- l employment.

'MENT AND 'LOW

'ar much about industry's invest but, in our case, the inflation is that cash genera- ı profits has had to be d by a £20m loan already :o in order to meet our needs lant and properties, to ensure :h in the 1980s. No wonder d with a deteriorating cash he beginning of 1975, and in which we were being y purely political measures, was the theme, and it was ı which capital expenditure e strictly limited to within low. This policy was managed vely that by the end of the achieved a cash run-up of tly by more stringent con- ur stocks and debtors, and economies in every sector iness.

S AND PRICE CODE

ıstraints of the Price Code ite that over the past two profits have lagged well e rate of inflation and. there- cal" profits continue to e.

vernment are belatedly con- th the drop in real profits ındicated that they will con- :ing some improvements in Code and on incentives for vestments. Failure to allow to make a commercial profit etain the benefits of their encies wil continue to dis- ndustry from making the vestments so essential for

ıdilands Report on Current unting, which will be man- our financial year 1978/79. ıder discussion by industry ıccounting profession as to method of implementation, recommendations should be ater this year. We certainly e need for Current Cost g in order to determine the ts of industry.

depends largely on rs to provide funds for . Yet it is true that shareholders, some institutional but, in many cases, individuals who have invested their small savings and live on fixed incomes, have suffered more from inflation even than those who work in the business. In these circumstances, your Board felt it right that we should recommend the payment of the maximum dividend permitted, particularly as dividends since 1972 have been restricted to an increase of 28% in a period when inflation has increased by 72%.

TRADE

This was a year in which the personal skill and determination of our sales force, backed by excellent quality and range of prducts, more than overcame the problems of price and duty increases.

Continually rising costs demanded increases in the price of beer during 1975: the Chancellor imposed 2p on a pint in the April Budget, yet overall beer sales, boosted by the weather, remained remarkably buoyant until after Christmas.

Our market share continued to increase steadily during the year. Draught bitter sales of Whitbread Trophy have grown by over 5%. Sales of draught Heineken have doubled in the last 2½ years, and, together with Stella Artois, have significantly advanced our share of the lager market. Another sector which has increased dramatically is canned beer, where our brands are well represented. Heineken remains at the forefront of this fast-growing market, and in England and Wales accounted for one-third of all cans of lager sold during the year.

Our speciality brands of nationally available bottled beers, notably Gold Label, Brewmaster, Whitbread Pale Ale and English Stock Ale, a Kentish beer to which we have given national distribution, all contributed to our success, and Mackeson Stout increased its share of a reduced market.

It was not an easy year for wines and spirits, and the increases in duty levied in the 1975 Budget further depressed a sector which was already the victim of downtrading. However, our branded wines continued to do well, with Corrida again increasing its market share of Spanish table wines, and sales of our Langenbach range, notably Crown of Crowns, showing a useful increase.

Our managed houses, in spite of greatly rising expenses, showed improved profits, and are a credit to management skills.

The managed shop trade has also been successful in terms both of sales and of increased profits.

Perhaps our most spectacular trading improvement came from our soft drinks business, R. Whites, with consequent increased profits. Although helped by fine weather, real progress was made with the Rawlings brand of mixers and fruit juices.

THE ESTATE

We have now completed the detailed survey of all our licensed houses and are implementing our plans for disinvestment in areas which are over-licensed, and reinvestment in houses which have a high potential, or in new houses. All this must be carried out in an economic climate where conservation of cash resources is of the greatest importance. It may be a matter of interest that the great majority of public houses sold continue to trade as free houses, and thereby to serve the local community.

During the year we have continued to negotiate economic rents for our properties with our tenant licensees, and in the very few cases where we have been unable to reach agreement the Code of Practice has been invoked, whereby an independent valuer is called in to arbitrate.

We have long waiting lists of prospective tenants, and that may be because there is no other form of retailing in this country where, for so small an amount of capital, it is possible for people with the right qualities, who are prepared to be thoroughly trained and work hard, to achieve such a good financial reward.

If the British pub is to survive and develop, large sums of money are required annually to maintain and improve the amenities which must be provided, and this can only be achieved by selling off houses that cannot produce an adequate return. It also gives an opportunity for entrepreneurial licensees to strike out on their own.

Greatly increased costs have added to the task of maintaining the profitability of managed houses, and our managers and their wives have fully played their part, both as good hosts and in controlling costs, often in difficult circumstances.

It is obviously of vital importance to our business that our products should be sold under the best possible conditions. We hear criticisms from some people these days that only beer served straight from the cask, or through a beer engine, is "real" beer. All beer served in our houses is brewed from traditional materials and is real beer. The method by which it is dispensed is to provide beer at its best and ensure it is always in first-class condition.

During the year, we have seen the formation of the National Union of Licensed Victuallers, and to have one national body should be of great benefit to us all in the trade. We have continued our policy of maintaining close liaison with our tenants and managers at all levels, as it is our belief that the more difficult trading conditions become, the more important it is that close lines of communication must be maintained and developed.

CHISWELL STREET

The planning permission for the redevelopment of the Chiswell Street site, received in March 1976, was the culmination of six years endeavours by our own Whitbread team with our advisers, Trafalgar House Investments Limited, and our professional team: notably architects, Fitzroy Robinson, and surveyors, Montagu Evans. The G.L.C., the City and Islington, all of whom were involved, commented favourably on the particular impression made by the public consultation exercise Whitbread's carried out, and on the way local workers and residents were asked for their views before we formed a definite plan. It was certainly a triumph of co-operation between all interested parties.

The planning permission includes over 500,000 sq. ft. of new office space; also housing units, shops, including a supermarket, a leisure centre and even new stables for our horses. All the historic buildings will be retained, and the original Partners' House will remain the Headquarters of the Company.

PRODUCTION AND DISTRIBUTION

The financial implications of the Chiswell Street development have certainly influenced our decision to go ahead with the building of the new Magor Brewery in South Wales. This will, of course, provide additional employment in South Wales, while, at the same time, more employment will be created in this area of London as a result of the rebuilding of Chiswell Street. As the Prime Minister has pointed out, "Today's profits must be tomorrow's jobs. If there are no profits, there will be no jobs."

Some of the preliminary construction works have already started on site at Magor in parallel with the finalisation of financial negotiations with certain public bodies. When these outstanding matters have been settled, the first phase, consisting of maturation tanks, filtration tanks and a new racking hall, will be constructed in time for commissioning in 1978, to meet increased demands for draught beer, particularly lager. The brewhouse, fermentation and canning phases will follow on closely, in order to meet further growth of lager

The increasing demand for our beers has necessitated further expansion of our new breweries at Luton and Samlesbury; these are the only breweries able to brew true lagers, and it is the lager market that is showing the greatest growth rate.

A new canning line was commissioned at Samlesbury during the year, and this enabled us to meet the considerable demand for our beers in can from supermarkets.

Construction of the new Distribution Centre in Cardiff was completed at the end of 1975, and the commissioning of this depot took place in May 1976. This is the tenth new depot to be opened during the past three years, and, together with major extensions and improvements at many other depots, establishes within the Group a first-class modern depot network.

The Company has continued with its progressive introduction of new vehicles, new palletisation methods and new packages. These changes have been substantially implemented in our three Northern companies, and the programme continues now in other regions.

As a result of all-round co-operation and good teamwork, substantial improvements in Distribution costs during 1975/76 have contributed to the Group's profit improvement.

LONG JOHN INTERNATIONAL

The acquisition of Long John International has involved us in a new field of technology. This ancient and traditional craft has many similarities to our own but also many differences. We have set up a small Research and Quality Control team to ensure that we maintain the high standards of Long John products. We are in the process of rebuilding our grain whisky distillery in Glasgow, which, when completed in 1977, will be the most advanced plant of its kind in Scotland.

THE BULLOCK COMMITTEE

We have submitted our written evidence to the Bullock Committee, and fully support the extension of involvement of every member of the Company by way of increased information and consultation. We may start with an advantage here in that, being a family company, part of our philosophy has always been that the interests of those who work within the Company are as important as those of the shareholders and, indeed, of our customers: that all three are stakeholders in the Company, and that the interests of all, and not just sectional groups, must be considered.

From the character of their employment, Whitbread people are naturally most interested in events at their own particular place of work; we also recognise that they have a real and growing interest in the overall financial strength and profitability of the business. They are also aware that good profits ensure the ability to invest and keep the Company up-to-date, thereby safeguarding employment in the business as well as providing the right service to the public.

Plans are therefore in hand further to improve the flow of communication and consultation, beginning at the work place and spreading progressively upwards in a natural way. This will involve a far greater emphasis on training and the education of everyone concerned, including all levels of management, to understand better and so become more involved in the Company's business.

This will be a long term operation, evolving over several years, and therefore I believe any short term legislation about the composition of Boards of Directors could be politically divisive and harmful to industry.

I also believe that, in the longer term, any wider representation on the Board should be elected from all people within the Company, and that anyone so elected should have a responsibility for the progress of the Company as a whole, and certainly not just for any sectional interest.

GOVERNMENT

One of the recurring problems of top management today is the amount of non-productive time taken up in having to deal with Government intervention in one form or another. Sometimes this is aimed at the protection of the consumer but if we ourselves lacked social responsibility, or were insensitive to the needs of our customers, we should soon have little trade and few profits. We have a close relationship with our sponsoring Ministry, and with the Department of Prices and Consumer Protection, with whom we actively co-operate. I believe it would be of great benefit to the country if industry were now allowed a stable period without being continually subjected to political harassment, to get on with the job on hand, and so be able to take full advantage of the improving economic conditions which may lie ahead.

One matter to which Government could turn its attention, to the benefit of industry, is a review of the system of personal taxation, so that reductions in the standard of living are fairly shared, and some incentives remain for the hard-pressed ranks of professional management in this country. It is perhaps worth comment that other countries of Europe with Socialist administrations, whose rate of growth far exceeds our own, do not find it necessary or wise to penalise those who do most to create wealth and prosperity for all. They both pay them more and tax them less. If this country is to survive in a highly competitive world, we must surely abandon the cult of support for mediocrity and actively encourage and reward the creators, the skilled managers and leaders of men who, by their own example and effort, are striving to produce greater wealth and employment in industry today.

OVERSEAS

The recovery of our trade in Belgium, on which I reported last year, has continued. During the year under review, we carried out a successful major rationalisation of our production facilities, involving the closing down of bottling at Brussels. We are, as ever, most grateful to Artois S.A. for their continued support for our brands.

In Italy, both poor weather during the summer months and depressed economic conditions had a detrimental effect on the beer market in that country. However, the Dreher Brewery Group, in which we made a substantial investment in 1974, has maintained its market share. An extensive programme of rationalisation was embarked upon during the year, and we are optimistic that this will prove successful in the long term.

We have recently concluded an agreement with Wisdom Import Sales Company Inc. of Los Angeles for the importation and distribution of our beers on the West Coast of the United States, and we have great hopes that this will lead to a substantial improvement of our total sales in this market.

In spite of the generally depressed state of the economy in the West Indies, sales of Mackeson brewed under licence by Desnoes and Geddes in Jamaica, and also by the National Brewing Company in Trinidad, have further increased. We are grateful to our partners in these markets, whose efforts on our behalf have achieved increases in sales under adverse conditions.

Last year I mentioned that we were well advanced in the planning of a new development in New Zealand. This came to fruition when Leopard Brewery Limited launched a new Whitbread brand known as Whitbread Premium Draught, under licence. Initial sales have exceeded our expectation, and we look forward to a long and happy association with them.

Also during the year under review we have built up an export business of Mackeson to Nigeria. Although we have inevitably had our share of frustrations resulting from the congestion in the ports of that country, we are hopeful that, as these are overcome, the situation and continuing trade will develop favourably.

SOCIAL QUESTIONS

Two matters of deep concern to the industry are the increase in addiction to alcohol, especially among young people, and also the question of drinking and driving. The latter has now been reported on by the Blennerhassett Committee, and we accept their findings, with some anxiety, perhaps, only on the matter of unlimited discretion granted to the police for random testing, which, if badly used, might destroy confidence between the public and the police.

Statistics show that unfortunately nearly 30% of convictions for accidents involving drink concern people under 21, which shows the need for further education of the young, in which the industry will be fully involved. I believe it should be emphasised that the pub is a place of moderate and social drinking, under the supervision of the landlord and of the licensing laws.

THE BOARD

During the year, Mr. C. G. Stow retired from the Board after sixteen years with the Company. He joined us from Morlands Brewery at Abingdon in 1959, and during the sixties, a period of rapid growth for the Company, was responsible for various fields of management, including our tenanted and managed houses. We wish him a most happy retirement.

Field Marshal Sir Richard Hull, who also retired during the year, joined the Board as a non-executive Director in 1967, and for a period was Chairman of our Western Region. We shall miss his wise counsel and advice.

Since the end of the year, Mr. H. A. Hope has retired, and has been succeeded as Personnel Director by Mr. M. C. Findlay. After a career in the Army, Mr. Hope joined us in 1959, and for the last twelve years has been responsible for the interests and development of the people in this Company, first as Assistant Director and later as Director of Personnel. His sound judgment of people and his human approach were a great source of strength to the Board, and his many friends throughout the Company wish him well for the future.

Mr. M. C. Findlay, who succeeds him, was lately Managing Director of Whitbread London, one of our largest operating companies, and so will bring to bear his experience of human relations gained in the field to the wider problems of the whole Company. I shall have great pleasure in asking you to re-elect him to the Board at the A.G.M.

PENSIONERS

We are all very conscious of the particular difficulties faced by pensioners at this time of inflation. I am therefore especially pleased that we were able, once again, this year to make certain provisions for our pensioners which I hope will have gone, at least some way, towards helping them to cope with the enormous increases in the cost of living.

It is with great regret that I report the deaths of Mr. F. R. Oliver and Commander N. C. M. Findlay during the year, two men who, in their different ways and over many years, made an invaluable contribution to the strength of the Company as it is today. Mr. Oliver's spirit of enthusiasm and dedication to Whitbread standards of all kinds, particularly in the quality of our brands, still lives on in the Whitbread sales force of today. Commander Findlay's special role as Managing Director of Mackeson's Brewery was that many men who later became responsible for top management in the Company were sent to him for training at the Brewery in Hythe, and it was there that many of us, under his guidance, first became aware that Whitbread's was not simply a business but a way of life.

THE FUTURE

As I write in June, beer sales have recovered from a poor period earlier in the year, and the future is in the balance, dependent, perhaps, on economic factors and on whether we are fortunate enough to have another good summer. Wines and spirits must continue short term to be a dull market with the present shortage of money.

Your Company faces a hazardous year ahead but we also have many advantages: the strength of our brands, our skills in management and salesmanship, and the teamwork which is being shown throughout all levels in the Company. Our regional structure of management, based on a number of operating companies where local initiative is given the fullest encouragement, is another of our strengths. I am confident, therefore, that we are well equipped to give a good account of ourselves, however difficult the future.

Of the year just past, I know it would be your wish that I should offer more than a formal word of thanks to all members of the Company for their part in accomplishing so much. It is the result of both leadership and teamwork of a high order, and I would like to thank every one for their individual contribution to such an achievement.

PARLIAMENT

LABOUR NEWS

A difficult decision, says Varley

Tories dismayed by Shotton review call

BY JOHN HUNT

THE CONSERVATIVES reacted with dismay and derision in the Commons yesterday when the Government announced that the Shotton steelworks is to be granted a reprieve while the British Steel Corporation carries out yet another review of its future.

While holding fire on the Shotton closure, Mr. Eric Varley, Industry Secretary, also announced that the Government has authorised further large-scale investment at the BSC works at Port Talbot.

"This is a classic example of Government ownership producing the worst of all worlds for British industry," declared Mr. Michael Heseltine, shadow Industry Secretary.

"This arrangement will bring dismay to the British Steel Corporation and its customers and will bring satisfaction only to our overseas competitors," he said.

Brushing aside noisy heckling from the Labour benches, Mr. Heseltine wanted to know how Mr. Varley could justify the delay of two and a-half years which had occured since the Conservative Government's original decision to close the plant.

He claimed that the review which had already been carried out by the Government into the proposals was political in conception and had not produced a single fact to question the original closure decision.

Mr. Heseltine pointed out that the original decision to modernise the steel industry, taken by the Conservative Government in February 1973, envisaged a 10-year programme at a cost of £3bn. But this figure had now soared to £6bn. and was increasing every month the Government delayed the programme.

According to Mr. Heseltine, the critical decision concerned investment to produce primary iron and steel, yet Mr. Varley's announcement had avoided any decision on this.

Angrily, Mr. Varley retorted that he was not willing to be lectured by the Conservatives, bearing in mind their record of delay and interference in the BSC. He accused the Opposition of contemplating, without hesitation, the throwing on the scrap heap of some 6,000 people at Shotton.

Some Tory backbenchers made it clear to him that they saw the new proposals as abandoning the Prime Minister's promise to cut public expenditure and ensure that investment was channelled into the private sector. But this Mr. Varley denied.

In his statement, the Minister said that the Government had faced a difficult decision over the original BSC proposals to close steelmaking at Shotton and introduce major developments at Port Talbot.

There was scornful Conservative laughter when he said that the Government now felt that the assumptions about capital costs and market prospects which lay behind the original BSC proposals for closure required a thorough re-examination. This, he argued, was necessary in the light of inflation and the changed market prospects as the steel industry recovered from the severe recession of last year.

Mr. Varley was closely questioned from both sides of the House about how long the review would take, but he would not commit himself to a firm date. He said that without awaiting the review, the Government had told the Corporation to go ahead with those elements of investment at Port Talbot which would not pre-judge the decision on the future of Shotton.

As a result, BSC was willing to proceed with schemes costing a total of £1bn. at Port Talbot.

The Government had told the Corporation that it was ready to authorise a further £250m. for a new hot strip mill at Port Talbot and BSC had agreed to consider this as part of the re-examination it would carry out.

Tory seeks answers to reactor rumours

By John Hunt

A CONSERVATIVE MP, Mr. Michael Latham (Melton), said last night that there were "substantial and horrifying rumours" that the Government intended to abandon the next generation of steam generated heavy water reactors.

Mr. Latham is putting down a series of questions to Mr. Anthony Wedgwood Benn, the Energy Secretary, to establish the facts. He said that on Monday last week, Mr. Alex Eadie, Under-Secretary for Energy, had given evasive answers on the matter in the Commons.

"If the programme is scrapped, it will be a deadly blow to British technology, a massive policy reversal by the Government and a certain way of ensuring that electricity in the 1980s will be more expensive than it need be," said Mr. Latham.

Earlier yesterday, during questions in the Commons, Mr. Benn touched on the subject briefly. He recalled that two years ago, a significant body of opinion had wanted Britain to buy the American reactor and to cancel the SGHWR. That body of opinion was still very active, and there was renewed activity on that front, he said.

"But I shall not be easily persuaded that the purchase of an American reactor is the right decision," he added.

Trading loss doubles on MPs' meals

EVERY MEAL served in the members' dining room of the House of Commons lost £1.62, the Commons Services Committee reported yesterday.

Latest trading figures from the refreshment department show a net operating loss of £151,719—more than double the loss for the previous year. The department's bank overdraft, which finances the losses, stood at £523,000 in February and is still rising.

These figures emerge after a grant of more than £83,000 from the House of Commons own funds to the department.

The report says that none of the meals or service departments in the House made a profit last year, and all of them, including the Press refreshment department, are subsidised.

The comptroller and auditor-general, whose report on the trading account gives the figures, notes that successive reports have said the main cause of the losses is the uncertainty of Parliamentary business and the difficulty of predicting demand for meals and service as a consequence.

The Government has set up a committee of inquiry into the running of the refreshment department, and no changes are likely until this committee has reported.

TV dodgers cost £7.5m.

TELEVISION licence dodgers may be costing the country £7.5m. a year. Mr. Brynmor John, Minister of State, Home Office, estimated in a Commons written replay yesterday.

He told Mr. Ivan Lawrence (C., Burton) that the latest available information suggested that some 850,000 households were now using television sets without licences.

Victory cheers

LABOUR MPs cheered as Dr. Oonagh McDonald, victor at last week's Thurrock by-election, took her seat in the Commons yesterday.

Delay could cost £5.4bn.—Walker

BY JOHN HUNT

THE GOVERNMENT'S failure to go ahead with the modernisation programme for the steel industry which had been drawn up by the last Conservative Government could cost the country as much as £5.4bn., Mr. Peter Walker (C., Worcester) claimed in a statement last night.

He was Secretary for Trade and Industry in the Conservative Government when the original modernisation proposals were made in February, 1973.

Technical changes had brought the cost of the original programme to £3.6bn., he said, but subsequent inflation and delay now meant that it would be £6.5bn. If the delays continued further, then projected rates of inflation would bring it to £9bn.

Had the major development of Port Talbot gone ahead as planned, it would have increased steel-making capacity by 3m. tons making a total capacity there of 6m. In addition, the major coastal project at Redcar would be nearing completion, resulting in increased steel-making plant producing 3.5m. tonnes of steel by the first half of 1977.

The Government's delays meant that 6.5m. tonnes less steel would be available in the autumn of 1977 than would have been the case if the Conservative programme had gone ahead.

Mr. Walker argued that this meant that by the end of 1977 we would be losing £520m. in import saving—"a terrifying blow to our balance of payments."

MR. PETER WALKER
"Terrifying blow to balance of payments."

From this month onwards, the failure to have new facilities at Port Talbot would be costing £36m. a year in increased steel prices. By the middle of next year, the failure to bring the Redcar plant to fruition would add a further £42m. in additional steel prices.

"During the period of Labour's delays, the French and Japanese have substantially increased their steel making capacity. My modernisation programme would have meant that by the 1980s, we would have been producing 50 per cent. more steel with 50 per cent. less people," he added.

Benn plans another energy meeting

By John Hunt

FOLLOWING the recent energy conference Mr. Anthony Wedgwood Benn, Energy Secretary, is initiating a follow-up to establish a permanent commission of outside interests to advise his department of policy.

He said in the Commons yesterday that 21 invitations to another meeting were about to go out to those who participated in the first conference.

It is understood that the meeting is likely to be held later this month. The intention is to discuss the setting up of the permanent commission.

Those invited include representatives of the energy industry, unions, industrial and domestic consumers, conservationists and environmental interests.

Scottish M-way approved

THE GOVERNMENT has agreed to the building of a £10m. stretch of motorway to link Central Scotland with Fife. The five-mile section will connect the A876 at Larbert to the Kincardine Bridge, which crosses the Forth.

The decision to proceed was disclosed in a letter from Lord Kirkhill, Minister for Scotland.

Row may delay guillotine debates

BY PHILIP RAWSTORNE

THE GOVERNMENT'S controversial plans to complete its legislative programme by guillotining the Common debate to-day on five major Bills were ruled in order by the Speaker, Mr. George Thomas, yesterday.

Conservatives had challenged the procedures under which the Government had included the five Bills in three timetable motions.

After a three-hour debate on each motion, the Commons will to-night now vote on the guillotining of the aircraft and shipbuilding nationalisation Bill, the dock work and health services legislation, and finally on the Bills covering agricultural tied cottages and comprehensive education.

The votes are expected to be close but the Government, their effective majority increased to three by the introduction yesterday of Dr. Oonagh McDonald, the newly-elected MP for Thurrock, should carry their proposals.

The Conservatives, however, were last night trying to secure up to four separate votes on each motion in a last ditch bid to "check the Government's move.

The start of the debates to-day may be delayed by a procedural argument over what the Conservatives claim amounts to an unwarranted restriction on their right to amend the timetable proposals.

Mr. John Peyton, shadow Leader of the House, said yesterday that the Conservatives were "deeply disappointed" by the Speaker's ruling. "But we accept it without reservation," he added.

The Speaker had ruled that Commons standing orders did not bar the Government from including more than one Bill in a single timetable motion.

The Attlee Government in 1946-47 had used one motion to guillotine both a transport and a town and country planing Bill. The Macmillan Government in 1961-62 had included the Commonwealth Immigrants Bill in a motion with the Army Reserve Bill, he said.

Mr. John Pardoe, Liberal MP for North Cornwall, protested that if Governments were able to cover all their Bills in a single timetable motion "we might as well dispense with the whole charade of Parliamentary democracy."

He supported Mr. Peyton's suggestion that the Commons Select Committee on Procedure should examine the situation urgently.

In the Lords yesterday, the Government secured agreement for the suspension of two standing orders until the summer recess in a further effort to resolve the legislative tangle.

The move will allow the Government to arrange the order of business for each sitting and allow it to complete more than one stage of a Bill's Parliamentary process in a day.

Speaker will rule on Tory MP's challenge to Finance Bill

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE QUESTION of whether a procedural obstruction can hinder the further passage of the Finance Bill through Parliament will be resolved by Mr. George Thomas, the Speaker, in the Commons this afternoon.

The threat, raised last week in the Lords, was pursued and intensified yesterday when Tory backbencher, Mr. Geoffrey Dodsworth (Hertfordshire, S.W.), stressed the contention that this year's Finance Bill is not a pure money Bill.

If it were ruled not to be a pure money Bill, this could remove the bar on the Lords debating its provisions and amending them. As the Bill has to be enacted by August 5 to enable the smooth continuation of the national finances, this is a disturbing question-mark for Ministers.

Mr. Dodsworth pointed out that under the proposed new powers in the Bill to deal with suspected tax frauds, Inland Revenue inspectors would be allowed to enter private premises and take away private papers.

He claimed that such a provision raised issues affecting the constitution and individual freedom, and quoted Erskine May, the authority on Parliamentary rules and precedents, to argue that these matters disqualified the Bill from treatment as a money Bill.

The Speaker said it was the invariable practice to decide whether or not a Bill was a money Bill after it had been given a Third Reading. So he deferred until the next day his ruling, and MPs proceeded with the Third Reading debate.

Mr. Robert Sheldon, Financial Secretary, deplored what he considered the inability of the Opposition to get a concerted policy over incomes. Only Mr. Edward Heath, he suggested, had given whole-hearted support to the pay deal agreed between the Government and the TUC.

But Mr. John Nott, from the Opposition front bench, condemned the increasing burden of taxation, and criticised the Chancellor for hinting that an economic miracle was just around the corner.

Mr. Sheldon claimed that the tax reliefs outlined in the Budget were the most important parts of the latest pay agreement.

Mr. Nott retorted that Britain had been told it could only afford the provisional tax reliefs if a pay deal were reached at 3 per cent. "The pay deal was concluded at 5 per cent., with tax reliefs related to the 3 per cent. arrangement. We are now told we should understand 3 per cent. and 5 per cent. are the same."

And now the Chancellor was apparently trying to claw back the money in lower public expenditure.

Mr. Jo Grimond, for the Liberals, said it was time to set up a committee or a commission to look at methods for assessing what people in the public sector should receive.

Inflation would only be stopped by controlling money supply, but this had to be coupled with a sensible incomes policy in the public sector, especially as the private sector got smaller and smaller.

Some trade unionists, as well as middle management, were now concerned about the erosion of differentials.

Mr. Douglas Crawford (SNP Perth and E. Perthshire) said Scotland should be exempted from forthcoming cuts in public spending which, he described, as "unfair and unjustified."

He attacked the increase in duty on whisky. The result of higher duty in the past had been a fall in production.

Government promises to heed views on Tindemans report

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

BRITAIN'S continuing role and progress in Europe were matters for Parliament to consider and to advise the Government, Lord Shepherd, Lord Privy Seal, told the Lords yesterday.

He promised Peers that the Government did not intend to take a formal view of the Tindemans report as it concerned Britain's future policy until it had been considered by both Houses of Parliament.

Moving a debate on developments in the European Community and on the report of the European Communities Committee, Lord Shepherd said that progress in Europe was inseparable from progress in Britain.

Baroness Tweedsmuir, deputy Chairman of Committees, congratulated the Government on having reached a fundamentally important decision on direct elections to the European Parliament.

She welcomed the increase from 67 seats to 81 and hoped that Scotland would be given at least ten of these.

She called for a strengthening and improvement of the structure of the Community. A central policy review body should be set up, Lady Tweedsmuir suggested.

Baroness Elles, on the Tory side, commented that it was becoming more and more clear that EEC matters were no longer part of foreign affairs. Britain's domestic affairs were closely involved. She urged the Government to allow full regular debate on EEC business.

Lord Gladwyn, from the Liberal benches, said it was now clear that a withdrawal from the Community was impossible.

Lord Diplock, a Lord of Appeal, said the Tindemans report wanted two things: an expansion of the field within the competence of the Community institutions—beyond the field already covered by the Treaty of Rome—and secondly, progress towards economic and monetary union, which was within the Treaty.

Rash of disputes delays Leyland cars expansion

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

BRITISH LEYLAND management, planning increases in car output to 22,000 a week next month, is having to consider contingency programmes because of unsettled strikes and disputes which look like extending the holiday period due to end on August 2.

More than 5,000 Jaguar workers at Coventry have already had an unsought week off because 80 press shop operators refused to work with nine colleagues who, they say, are trying to alter the structure of representation in favour of the night shift on which all but one of them work, and because they have forsaken the Transport and General Workers Union for the Amalgamated Union of Engineering Workers.

It had been hoped that the press shop men would accept an independent inquiry, but the nine refused to do so, and 800 cars worth about £5m. at showroom prices have been lost.

Another row may be brewing over the decision by Mr. Derek Whittaker, Leyland Cars managing director, to site a new £24m. paint shop for Jaguar at Castle Bromwich, where the bodies are made, and not at the Coventry factory.

The matter has been before the joint negotiating committees of both places, with each wanting the paint plant. When it was put before the management council, the top worker participation body, it was referred back to plant level.

In the circumstances Mr. Whittaker took the decision "because Castle Bromwich will have a capacity of 2,000 cars a week against 1,500 at Jaguar and because it will be several million pounds cheaper."

The position of 600 Jaguar paint shop employees who will eventually be displaced in about two years time has raised union and shop floor hackles and could also delay production programmes after the holidays.

At nearby Triumph, too, there is an unresolved dispute ... ing 400 engine assembl... struck last week after ... been dismissed for ... booking on and off ... Final assembly has not y... interrupted but, unless ... ing due to be held on ... the men return de... resume normal worki... progressive slow dow... result.

In Birmingham, 125 toolsetters at the starte... factory have to decide ... to call off their go-slo... dilatory wage negoti... which were postponed f... days at union request. ... ment closed the facto... week and 1,800 are laid ...

● Two of the big three ... side motor manufacturer... at the week-end for the ... holidays — Vauxhall fo... weeks and the two Triu... tories for a fortnight. T... Ford, shuts down fo... weeks at the end of thi...

Engineering strike vote 'not fair' tribunal is told

BY OUR LABOUR STAFF

AN ALLEGATION that a strike vote at a Lancashire engineering works was "not conducted in a fair and just manner" was made yesterday at an industrial tribunal in Manchester.

Four men were dismissed from the Amalgamated Union of Engineering Workers for refusing to obey the strike call and have appealed against their dismissal under the 1974 Trade Union and Labour Relations Act.

The tribunal, resumed yesterday after a six-week adjournment, heard evidence from Mr. John Entwistle, aged 25, of Worsley, who said that he had at first obeyed the strike call at Eaton Transmission, Walkden, but returned to work when he decided that voting on the issue was not being carried out in a proper manner.

Combined night and day shift votes had shown a clear majority against the strike, but this had been overturned after a vote to stop work by a poorly attended outdoor meeting.

When called before the Bolton district committee of the AUEW after the strike ended, Mr. Entwistle was accused of crossing an official picket line. He claimed he was told by Mr. Bill Dagnall, Bolton district secretary of the union, that there could be repeated strike votes until the result desired by Mr. Dagnall was achieved.

Mr. Dagnall later told the tribunal that he had not made such a remark. The hearing continues to-day.

Closed shop victims appeal body meets

BY OUR LABOUR STAFF

THE INDEPENDENT review body which will hear appeals from employees who face dismissal through not belonging to a trade union met for the first time yesterday.

Its chairman, Professor Bill Wedderburn, said before the inaugural meeting in Congress House, London, that the committee had "no illusion about the difficulty of its delicate task."

It will consider cases of workers who have either been refused admission to a union or expelled from membership in closed shop situations.

Professor Wedderburn said yesterday that although the review committee had been established under the auspices of the TUC "its members owe no allegiance in their duties on the committee either to the individual complainants or to the particular trade unions appearing before it."

It would try to produce recommendations based upon commonsense and fairness and strike a just balance between the "interests of individual complainants and the interest of trade unions seen in the context of the whole trade union movement."

Wherever possible the committee would try to reach an agreed solution through conciliation. It would normally sit in private but would make its recommendations public.

TUC affiliated unions will be expected to accept the recommendations of the committee.

The committee is expected to publish its findings on its first case within the next few days but until then is not naming the union or employer involved.

Councils rejecting cuts, says Nalgo

By Alan Pike, Labour S...

THERE WERE "enc... signs" that local au... were beginning to re... were refusing to impose ... ture cuts, Mr. Jack B... chairman of the Natio... Local Government Association local gov... committee, said yesterd...

He named Devon, Che... the London boroughs ... gey and Lambeth as exa... authorities which were ... to making cuts "in wh... part."

Mr. Bradburn told a ... of his union in Warw... night, that he was "a... at what the Govern... doing. Further cut... wreak havoc in essentia... and would not sc... country's economic pro...

"Policies to increase ... hold back imports are ... relevant to cutting th... sector borrowing re... and the foreign def... policies to decimate lo... is what these cuts will ...

The Government was ... the alternative strateg... measures, designed to ... confidence of foreign ... would "not achieve ... pitiful objective."

NALGO would not ... bers at risk by "blin... ance" of unestablished ... ment claims that the ... necessary, he declared.

Members had to be ... to challenge excessive ... employers. Such cut... mean the curtailment ... appearance of services ... union would not stand ... and see this happen.

"I have no intention ... the chief mourner at th... of local government," ... Bradburn.

Unions' wage pact 'fails to help lowest paid'

TRADE UNIONS are incapable of improving the position of the lowest paid within the existing structure of taxes and benefits, a Workers Educational Association report says to-day.

The report—Trade Unions and Taxation, written by three members of the association's Low Pay Unit headed by Mr. Chris Pond—says, "It is vital that they begin to negotiate not only on the form of incomes policy, but on the form of taxation policy which is to accompany it."

Far from helping the lowest paid, the £6 pay limit created a poverty trap from which it was impossible for them to escape. This was due to the combined effect of income-tax and other deductions and the withdrawal of family benefits.

"The surest way to encourage Government to review policies on taxation and benefits would be to demand the size of pay award necessary to leave workers after the payment of tax and the withdrawal of benefits with a real increase."

For unions to do otherwise involved an abdication of their responsibility to protect their members' living standards.

£4 pay poli... 'will be def... here and th...

By Our Labour Staff

THERE SEEMS little c... the second phase of p... will be "defied here a... not only by workers ... employers competing f... labour, says Mr. Gerry ... general secretary of th... makers' Association.

The association ... about the worsening re... position of skilled e... was one of the few un... ject the £2.50-£4 p... accepted at the speci... Unions Congress last n...

Mr. Eastwood, writi... union journal, says ... second year of restrain... for shop-floor worke... like a sacrifice and m... permanent imposition ... ultimate effect of differentials."

TGWU wants inquiry into l... of lorry drivers' lodgings

BY IAN HARGREAVES, LABOUR STAFF

THE TRANSPORT and General Workers' Union has called for an urgent Government inquiry into the shortage and standard of lorry drivers' accommodation.

Mr. Jack Ashwell, the union's new national secretary for commercial road transport, claims in a union publication that in some towns drivers are forced to sleep six to a room because of a lack of suitable lodgings.

He would be asking the Government and local authorities to carry out a survey of the needs of drivers.

He also wants to explore the possibility of the unions and employers forming a trust to finance new accommodation to be run by local authorities.

"We are not saying that this would be necessary in every town and village, but it could be done in the main transport centres."

Better accommodation is one of ten aims listed in a new campaign strategy announced by Mr. Ashwell in the latest issue of The Highway, the union's newspaper for lorry drivers.

The broad objective is "a common contract of employment applicable to all commercial drivers," features of which would be included in pay deals negotiated at local level.

The ten points are:

- ● A shorter working week with no loss of earnings.
- ● A subsistence allowance of at least £6 a night.
- ● Improved holidays.
- ● Pay and job security.
- ● Non-contributory sickness and accident schemes.
- ● Compulsory insurance cover.
- ● Better accommodation.
- ● Better standards of health and safety provision.
- ● More parking space in towns.
- ● Speedier setting up of lorry routes.

Mr. Ashwell says the programme represents a whole new social contract for the 300,000 drivers he represents, ... he accepts that progre... impossible on many of ... until the present p... ends.

"In the past we hav... concentrated too much ... at the expense of othe... of great importance. ... what we now intend to...

Mr. Jack Jones, gene... tary of the TGWU, ... message, in The Hig... lorry drivers, that a ... rallies, culminating i... national rally will be ... press home the case for ... conditions and—renew ... to the introduction of ... graph—known as "the ... cab."

"With greater un... and unity, the future ... divers can be strong in... lorry driver is a p... independent man whose ... still not recognised eno... Jones said.

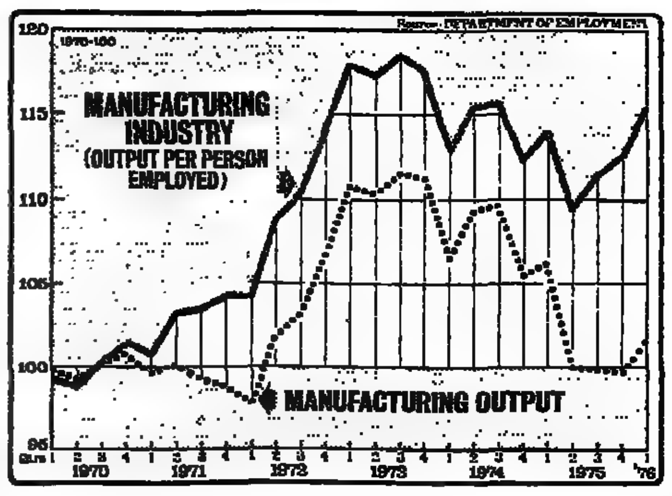
هكذا صار الأصل

The Management Page

EDITED BY JOHN ELLIOTT

Peter Riddell looks at the background factors for assessing the chances of raising output per man

Potential for higher productivity



SCOPE for improving the ctivity record of manufac- ; industry — notably by arison with Britain's main titors — has been the con- t and depressing theme of le series of studies in the ew years, right up to many recent NEDO sector work- arty reports produced as f the Industrial Strategy. ers have recently been ng the priority not only reasing investment as a of improving produc- but also of making more nt use of existing plant.

r all, manufacturing out- er head in the U.S. is y twice the U.K. level and bout 50 per cent. higher rance and Germany. gh there has been some ce of a narrowing in the increase in labour pro- ty in recent years n Germany, France and K., performance during cent recession was par- y poor, both by interna- standards and in compari- ith previous economic

rting point

here are now hopes that could be at the start of d of major improvement uctivity—the uncertainty ther this will merely the upturn in the cycle ange in the underlying Productivity has, how- een extremely erratic in few years.

starting point was the recession when many companies shed labour on a large scale. There was a total drop in manufacturing employment of over 6 per cent. between 1970 and 1972. Consequently although output fell by just over 2 per cent. at maximum during the recession, productivity continued to grow steadily, with only two very minor quarterly hiccoughs.

Even more significantly, this slack was not taken up to any significant extent during the recovery and the labour was absorbed elsewhere in the economy, in service industries and the public sector. Thus at the height of the boom in the third quarter of 1973 when manufacturing production was 11½ per cent. higher than in 1970, the labour force was still more than 5 per cent. lower than at the start of the decade.

This may appear somewhat paradoxical given all the stories at the time about shortages of labour, but many of these related to skilled workers and the employment position in the economy as a whole was, of course, very tight by the end of the boom.

There had been a tendency from the early 1960s onwards for the use of labour to become more efficient and the rate of improvement in productivity to increase in the upswing of each cycle. But it is not clear why the improvement in the manufacturing sector during 1972-73 was so large — factors such as the age and amount of capital may have affected the very crude measure of output per head, apart from any improvements in the use of manpower. More simply, the figure was undoubtedly boosted by a sharp rise in the amount of overtime worked.

The acceleration in labour productivity during this period took the figure well above that of the previous underlying trend and because of a stretching of the existing workforce at the time the rise may have been rather deceptive. Indeed the reaction was much larger than in any previous recession for over 20 years.

> Hopes that Britain may be in for a period of major improvement in productivity, even though the record of the past few years is erratic, are matched by uncertainty over whether this will merely reflect the upturn in the cycle or a change in the underlying trend

Although the drop in manufacturing output was the sharpest since the last war—over 11 per cent. from peak to trough—the fall in employment has not been proportionate even though manufacturing labour is now nearly 12 per cent. below 1970 levels.

The explanations for this include a desire to retain skilled labour in time for the next upturn—suggested by the high levels of short-time working, the greater economic and social costs of redundancy (especially if it is only likely to be temporary), as well as the various Government measures aimed at preserving the level of employment.

Changes in the structure of the labour force, in particular the greater use of part-time female labour, may have contributed to the poor productivity performance since each employee, however short the hours, counts in the crude output per head measure. There is also evidence to suggest that there may have been a change in the underlying trend to a somewhat slower rate of increase in the past three years—though this may only be temporary. It is possible that rapid inflation and incomes policies may have produced inefficiencies in the market mechanism, thus affecting productivity.

The result in 1974-75 was that manufacturing output per head fell by 7½ per cent. at its possibly freakish low point in the second quarter of last year and the slack in the labour force then indicated the potential. Indeed with a continuing fall in employment, productivity has responded sharply to the beginning of the recovery, and has increased both earlier and more rapidly than in the early stages of previous cycles with a rise of 5 per cent. between the second quarter of last year and the first three months of 1976.

A rapid rate of improvement is expected to continue for some time given both the official forecast of a rise in manufacturing output of 9 per cent. in the 12 months to mid-1977 and the low level of capacity utilisation of both capital and labour, together with obvious scope for less short-time working and more overtime before new recruitment starts. On the basis of the usual lags in the system, this trend should continue for the next year and a half at least.

It may, however, present certain problems since such a rise would reactivate a number of existing productivity schemes — even though new ones are not allowed under the pay policy — and thus provide an extra boost to earnings. Such schemes have in the past often had a somewhat tenuous relationship with actual advances in productivity though some extra pressure from this source has been assumed in most earnings forecasts.

In the medium term, there is the question of whether this advance in productivity will mean a return to the longer-term trend of the late 1960s and early 1970s. There are some official hopes that this will occur though there may not be a complete catch up on the 1974-1975 drop. Moreover, there are fears, as expressed in the recent Bank of England Quarterly Bulletin, that the low volume of fixed investment in recent years may inhibit the underlying growth of productive potential.

It is not easy to move down from the overall economy to particular sectors and companies though it is clear that output per head has been rather more stable in, for example, mechanical, instrument and electrical engineering during the recession than in, say, metal manufacturing, where production has been much more volatile. Over the longer-term, the best productivity performances since 1970 have been in textiles, mechanical engineering, and gas, electricity and water.

Some indication of how various sectors show up on an international comparison is provided in a new study to be published later in the year by the Department of Applied Economics at Cambridge and previewed in the latest issue of the Department of Employment Gazette. This compared labour productivity within the various offshoots of the same international companies in 1972, though there has probably been little relative change since then.

Output per man was 50 per cent. higher in the U.S. and Canadian plants than in the U.K. ones of these companies, 35 per cent. higher in Germany and 24 per cent. in France. Although there is a wide dispersion of results, the conclusions suggest that differences in productivity apply in many sectors apart from the motor industry. For example, on the U.K./U.S. comparison productivity was 90 per cent. higher on average in the engineering components sector, 67 per cent. up in oil chemicals, pharmaceuticals, soap and detergents, 69 per cent. higher in vehicles and allied trades, but only 11 per cent. greater in domestic appliances and electronics. In the comparison with German plants the largest gap was 50 per cent. for the food and packaging sector, with 35 per cent. in oil and chemicals.

The report points out that most companies found it difficult to quantify with any precision the contributions of the individual causes to productivity differentials though large variations in scale and in techniques of production have been an obvious influence. Moreover, lower wages and shorter production runs in the U.K. contribute to the retention of older equipment and this has a cumulative effect. Although these differences in scale of production may often be the main reason for the unfavourable comparisons with the U.S., differences in efficiency in the use of manpower may be much more significant in looking at any gap with Germany and France.

Studies

The Department of Employment has itself summarised the evidence from a series of studies on productivity in British industry which highlights both the wide range and differing influence of various constraints. The inefficient use of manpower can, after all, reflect the uneven spread of technical innovation, weaknesses in management of plant operations, defects in quality control, job demarcation and industrial disputes. The hope is that the Industrial Strategy may in the longer-term help both to identify and partly eliminate these inefficiencies — though there seems to be little likelihood of much discernible impact during the current recovery stage of the cycle.

HNOLOGY AWARD

BY SUE CAMERON

ace mask innovation

HE past four years l Development Capital sidiary of Finance for —has been running a competition for tech- innovators. The aim mpetition is to encour- nesses that are based velopment of new pro- l this year's first prize 0 has been won by and Jean Fisher for rk on a new glass-fibre k filter.

3, the Fishers set up wn small company, o produce the heavy filters used in diesel Despite a near- during the three-day y managed to survive nonths ago they were ed by two companies to know if they could ure glass-fibre filters. a French concern ade masks for babies' s and the other was a company which pro- e kind of respirators used in mines and other industries.

At present there are two types of face mask filters on the market. One is made from resin impregnated merino wool and the other from pleated glass-fibre paper. The wool filters are much the cheapest to produce but their efficiency is considerably reduced when they come into contact with moisture. For this reason they fail most American and European tests and their use is mainly confined to this country.

The pleated glass-fibre filters are not affected by moisture but they are wasteful to produce. Other materials have to be used to hold the pleats in place and the glass-fibre then has to be cut into circular pieces which means that 25 per cent. of it is lost. Mr. Fisher's idea was to wind the glass fibre on to a central core so as to make a circular spiral of interleaved material. This means there is hardly any wastage of the glass-fibre which costs £5,000 to £6,000 a ton. The filters can be made to any specified diameter or thickness and it has been shown that they can stand up to any foreign test requirements.

The cost of producing glass-fibre filters in this way is claimed to be 30 to 40 per cent. cheaper than when conventional methods are used although the process requires a purpose-built machine. Mr. Fisher was granted a provisional patent on his new type of filter production in January this year. The problem now facing him and his wife is how to exploit their discovery in an effective and viable way.

In order to win their £5,000 prize Mr. and Mrs. Fisher had to submit details of costing and selling prices for their filter, an analysis of the market, profit and cash projections and their own curricula vitae as well as a description of their product. Lord Seebohm, the chairman of Technical Development Capital, who presented the prizes last week, stressed that the award is for innovators not innovations. He pointed out that while there was no shortage of new ideas there were insufficient people with the courage, flair and competence to build sound businesses on them. Some of the 135 entries to this year's competition had been more technologically sophisticated than the Fishers' filter but they had had to be rejected because of inadequate costing, too thin profit margins or a failure to appraise the potential market.

Mr. and Mrs. Fisher are planning to spend their award money on machines to produce the new filter—at present they just have prototype machinery. Initially they will aim for the home market because their company only employs 12 people and as Mr. Fisher points out a small concern in the back streets of Luton could not possibly cope with huge export orders. Yet the potential export trade is considerable. The Fishers reckon that in Europe and Scandinavia alone there is a market for about 10m. face mark filters. In some industries new filters are required every day and the demand is increasing all the time as governments tighten up on safety regulations and anti-pollution laws.

There were three runner up prizes in the competition, each worth £1,667. One of these went to Philip and Terry Clarke of Klark Teknik for their heavy-duty reel-to-reel tape recorder which has a simple but precise mechanism for controlling tape speed. Another went to Dr. Robert Fields and Mrs. Pamela Harris who are exploiting Dr. Harris' invention of precision connectors made of Teflon which can join laboratory tubing of different diameters. The third award was won by Mr. G. Sercombe and Mr. B. Hatton of G. S. Compactors for their new waste compactor which can compress rubbish to up to one-quarter of its original volume. The compactor goes under the decidedly sci-fi name of the "Black Nodder."

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TUESDAY, JULY 20, 1976

Non-decision on steel

FOUR YEARS ago the British Steel Corporation persuaded the Conservative Government, after many months of discussion, to approve what was then a £3bn. programme for modernising the industry. Before the decision was made, a special study had been conducted into the future of steel-making at Shotton in North Wales. The conclusion of that study, which was accepted by the Government, was that to replace the open-hearth facilities at Shotton with modern steel-making plant was not justified; it would have involved an investment of over £200m. and production costs would not match those of extra capacity at Port Talbot. The BSC proposed, therefore, to stop steel-making at Shotton "during the second half of the decade" (with the loss of 6,500 jobs), but to retain the works as a major finishing centre, employing some 6,000 men.

Pressure groups

That, unfortunately, was not the end of the story. When the Labour Government came into office in 1974, it set about fulfilling its pre-election commitment to review the BSC's closure plans. Shotton presented the most difficult political issue. Although the BSC management kept on insisting that the economic case against steel-making at Shotton was as strong as it had always been, the Government could not make up its mind. Announcements were promised, then postponed; in the meantime local pressure groups redoubled their efforts to win a reprieve for Shotton.

To judge from yesterday's statement in the House of Commons by Mr. Eric Varley, the Industry Secretary, there is no reason why this saga should not continue for another four years. The Corporation, he said, has agreed to carry out "a further review both of their own proposals and of alternative schemes involving continued steelmaking at Shotton, in the light of the latest available information." Although part of the planned investment at Port Talbot will go ahead, the central element — the expansion of steel-making — will be looked at again as part of the BSC's overall review. According to Mr. Varley, the BSC's assumptions about capital costs and market prospects require "thorough re-examination."

It would, of course, be astonishing if assumptions made nearly five years ago did not require modification, but as an excuse for putting off decisions yet again this will simply not stand up. The popularity of the mini-mill has not in any way undermined the principle that for bulk steelmaking the necessary economies of scale can only be obtained in coastal works equipped with modern blast furnaces, large basic oxygen converters and access to deep-water ore terminals. While successive British Governments have been dithering, our competitors have built and expanded works like Dunkirk, Fos, Taranto and Fukuyama, and have faced up to the social consequences of closing down older plants.

If anything has changed over the past five years, it is a growing scepticism on the part of the BSC's customers over whether the Corporation will ever be able to produce in the right quantities and at the right quality. It is the BSC's failings in this respect that have turned the U.K. into a substantial net importer of steel. While this is partly due to management and labour relations difficulties, especially in the strip mills division, it also reflects the fact that the BSC has too much obsolete plant which cannot achieve the quality standards required by steel users.

Involvement

This in itself is a powerful argument for pressing ahead with the full Port Talbot development as quickly as possible, especially as the BSC no longer seems to regard expansion at Port Talbot as contingent on the cessation of steel-making at Shotton. But the Shotton issue, too, remains a classic case of how not to handle a plant closure. As long as the Government insists on involving itself directly in individual plant decisions, even after the broad investment programme has been approved, the prospects of having a modern, efficient steel industry in this country are remote.

French franc under pressure

AFTER BRITAIN, it is now France's turn to watch an apparently unsought decline in the value of its currency. The fall in the French franc (just over 3 per cent. against the dollar in the last ten days) is not nearly as dramatic as the plummeting of sterling earlier this year, nor is it likely to become so. Nevertheless it is far from clear how long the drift will continue. While the Government was last week already predicting that there would be little further downward movement, some economists foresee a fairly steady, if gradual decline over the coming months.

Widely expected

Pressure on the franc this year has been fairly widely expected. There have been considerable doubts outside France as to the Government's ability to manage the country's economic recovery without provoking renewed inflation and new strains on the balance of payments. In fact, the immediate catalyst to the latest decline appears to have been concern over the effects of the prolonged drought on the French economy, and particularly on food exports and prices.

Further food price increases would only add to the more general concern over the country's inflation rate that is one of the main factors underlying the franc's weakness. Although the Government is still officially aiming at an 8.5 per cent. increase in consumer prices this year, the National Statistics Institute is now predicting a level of more than 11 per cent., way above the rates forecast for the U.S. and Germany.

The other major concern is wage rates, now estimated to be rising at an annual rate of around 16 per cent., again much faster than in France's major competitor countries. The implications have already been spelled out by President Valery Giscard d'Estaing, in a television broadcast at the end of May. His message was that France would have to exercise the same kind of wage restraint as other nations if it wanted to remain competitive. The Government now clearly realises that the time has come to switch its priorities from stimulating the economy to ensuring that the boom does not get out of hand. Next year's budget is to be strictly balanced, the money supply more tightly controlled and credit policies tightened.

What is not at all clear is how the Government can make some kind of wages policy stick. Formal incomes policies are politically taboo in France, but the Government has not yet come up with any other proposals. There has been vague talk, both from the Government and the employers, of "concertation" with the trade unions, but there has been no precise indication of what form this should take. Even voluntary policies are likely to be strongly resisted by the unions, whose line is the familiar one that the working class cannot be made to bear the responsibility for inflation in a country where rewards are so unevenly divided.

Social consensus

Nevertheless, given the growing admiration in France for the apparent success of the British social consensus, it is certainly possible that the Government will try to devise a similar arrangement, particularly if pressure on the currency continues. So far the run on the franc is not too serious. There is a case for interpreting it as merely an overdue correction that should have occurred when the franc left the jointly floating West European currency "snake" in March. The franc, after all, is still only 8 per cent. below its "snake" rate, although an immediate drop of up to 10 per cent was widely forecast when the decision to leave the system was announced. Nevertheless, it is clear that the Government could face renewed pressures on the currency if it fails to master its potential inflationary problems.

The Government has been urged to dump the U.K.'s latest nuclear reactor. **David Fishlock** reports

Why Britain may have to abandon the steamer

WITHIN A few days Sir John Hill, chairman of the U.K. Atomic Energy Authority, will place on the desk of Mr. Anthony Wedgwood Benn, Secretary for Energy, a report which could consign Britain's latest nuclear reactor to the scrapheap. This report could easily reopen the protracted and highly emotional debate of the early 1970s about the choice of a new reactor for Britain.

The warning signals are already there. Take, for example, the outbursts of interested MPs in a Commons debate earlier this month. One spoke of a "disastrous error to abandon the proven technology of the SGHWR;" another of the "hundreds of millions of pounds that have been invested in the atomic station at Winfrith." A third went so far as to demand an assurance that "any gap in the 1980s will not in any circumstances be met by the introduction of American light water reactors."

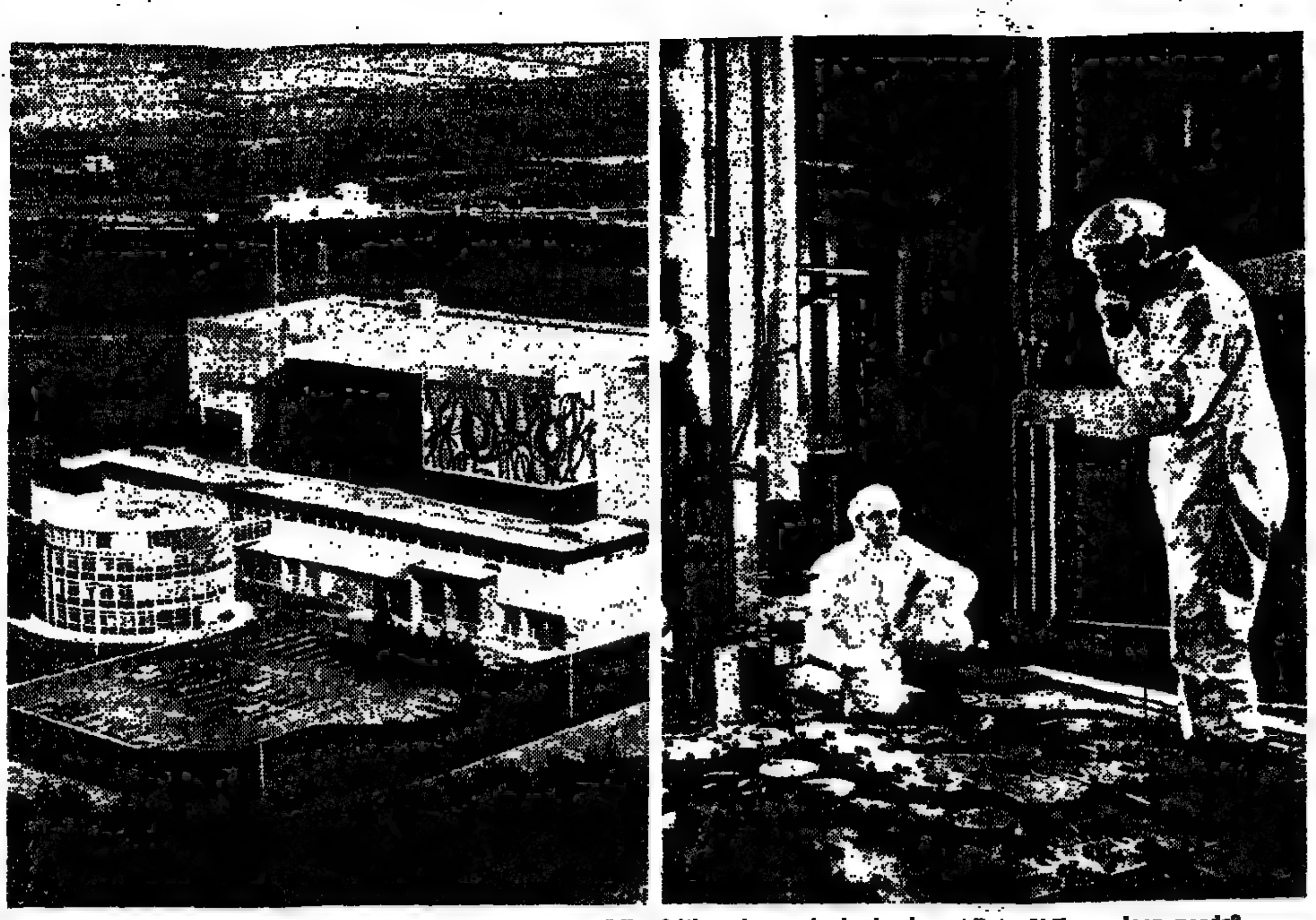
"Not in any circumstances" must surely be a prescription for near industrial disaster, which is just what now seems to face the U.K. nuclear power industry. Circumstances have changed dramatically since the British Government took its decision two years ago to reject the Central Electricity Generating Board's preference for the pressurised water reactor (PWR), and to launch instead a modest new programme of 4,000 MW based on the U.K.-designed steam-generating heavy water reactor (SGHWR or "steamer"), with every expectation of expanding the programme around 1977-78.

Let us look at some of the more obvious changes which have occurred since July 1974.

Smaller than its rivals

First, the CEGB — which supplies about four-fifths of the electricity consumed in the U.K. —was then still convinced that electricity demand would continue to grow, necessitating a large amount of new plant by the early and mid-1980s. Instead, demand curves remain depressingly flat—even tending to dip —and with 15,000 MW of new plant already commissioning or under construction the CEGB sees no need to place new orders before at least 1979-80, and on more pessimistic forecasts 1985 or later.

Second, a great many major features relating to safety—including the fuel, perhaps the most critical item of all—had to be changed in turning the prototype 100MW "steamer" reactor at Winfrith, designed in the late 1950s, into a commercial-size reactor for service in the 1980s. It took the designers and customers until last month to agree a "reference design" of a 660MW steamer, with the result that Britain is now about 15 years behind everyone else in trying to launch a water reactor, and even now has one significantly smaller than its rivals.



Prototype steam-generating heavy water reactor at Winfrith: "increasingly irrelevant" to U.K. nuclear needs?

Third, the advanced gas-cooled reactor (AGR) currently being constructed in Britain, which two years ago was agreed unanimously to have too many uncertainties still remaining to risk further orders, has begun to produce power this year from two reactors. The CEGB expects to undertake its tough 72-hour test at full power on its first Hinkley B AGR before the end of the month, and on the second before the end of the year.

Fourth, Sir Brian Flowers, in his capacity as chairman of the Royal Commission on Environmental Pollution, has dropped enough hints about the content of its forthcoming report on "nuclear power and the environment" to convince the Government that, whatever reservations the Royal Commission may have about long-term consequences of large nuclear programme, it is going to give a clean bill of health to reactor safety and the way it is managed and monitored in Britain.

Fifth, the Government has now received the Marshall report on the integrity of the pressure vessels for light water reactors, which satisfactorily answers questions raised by Sir Alan Cottrell (when the Government's chief scientific adviser) that the nuclear industry—including the CEGB and its proposed supplier—were unable to answer two years ago.

Sixth, the Government is now much more sharply aware that if the nuclear industry is to make money out of its past nuclear investments, it will be made from the relatively unglamorous activities concerned with the fuel cycle—such as reprocessing—or from manufacturing nuclear components, and not from trying to launch a new reactor, with all the costs and the technical risks it entails.

The engineering re-appraisal undertaken last month by the U.K. AEA at the initiative of Sir John Hill, as the Government's chief nuclear adviser, will take account of all these six factors. What is more, the re-appraisal concerns not just the steamer, as the Commons was told, but the alternative reactors —the AGR and the PWR—that the U.K. would most likely adopt if the steamer were quietly abandoned.

Hypothetical hazards

The likely outcome of the study, narrowed to techno-economic factors, is a decision firmly in favour of adopting the PWR. In a world market severely depressed for new electricity generating plant since the energy crisis, the PWR has managed to consolidate its position as the most widely accepted reactor.

Energetic attempts to demonstrate that the PWR poses an unacceptable public hazard have wilted as the nuclear industry slowly but surely produced highly convincing answers to the hypothetical hazards ventured by nuclear energy's opponents. Gradually the opposition refocused on longer-range targets such as the fast "breeder" reactor, reprocessing, plutonium and the "ultimate" disposal of highly radioactive waste.

No longer, however, is there any case for a crash programme of PWR construction in the U.K., such as once formed the backbone of the CEGB's case for seeking Government approval for the reactor. At its most optimistic, following a year in which electricity demand was 3.3 per cent. down, the CEGB believes it can detect slight signs of an upturn. So the splendid commercial logic of the plan worked out by GEC and Creusot Loire in 1973-74, whereby Westinghouse Electric and Framatome, its French PWR licensee, would help Britain get under way with PWR construction is no longer valid—at least at this time.

But the French, with no alternative energy source such as indigenous coal or offshore oil and gas, have kept resolutely on course. Like the CEGB, Electricité de France is forecasting lower electricity demand but the effect on its highly ambitious nuclear programme has been no more than the difference between what might reasonably be achieved and over-reaching their own manufacturing resources.

If Britain should need to order more nuclear plant by about 1980, the French will surely be more than willing to construct those portions of a PWR — such as the pressure vessel and steam generators — requiring the highly specialised facilities in which they have already invested. And there would be several highly reputable alternative sources in Europe then, including West Germany, Spain, Sweden and Italy.

Alternatively, Britain could remain with the AGR, always the second choice of the CEGB in preference to the steamer, and the one which Sir Arthur Hawkins, its chairman, said over two years ago it would be in a much better position to judge when it had obtained another two or three years' experience. To-day he is highly delighted with progress at Hinkley B, with a reactor which he proudly points out is so much more efficient and cleaner (radio-actively speaking) than any water reactor.

It is true there are problems attendant upon staying with the AGR, not least in the fact that it will remain a reactor built largely on site, while both PWR and steamer can be factory-assembled. There are also uncertainties about its performance that can be resolved only by two or three years of careful monitoring of the several thousand corrosion specimens associated with each of the new reactors.

The manufacturing fa[c]
for more AGRs already
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tunity to turn the ki[...]
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Mark 2 AGR, the CEGB b[...]
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But just as a comm[...]
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mates, has said cautious[ly]
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2 AGR may prove econo[...]
unattractive compared
series-produced PWRs.

Why are w[e] doing it?

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of the steamer.

"I keep asking one
question—why are we do[...]
says Dr. Walter Marshal[l]
scientist at the Energy [...]
ment, of the 4,000 MW [...]
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able to give me an answe[r]
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to be not much closer
100 MW Winfrith pro[...]
than the AGRs were to [...]
MW prototype at Wind[...]
with all that implies in t[...]
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The central problem,
Marshall spells it out,
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In circumstances s[...]
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ing, notably the fuel c[...]
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concept — a U.K. desig[...]
unlike its other react[...]
gained worldwide acce[...]

MEN AND MATTERS

Gardening note

The Bank of America must be keeping its fingers crossed that the Lord Mayor, Sir Lindsay Ring, will not be indisposed at 5 p.m. to-day. Yesterday the bank, which proudly bills itself as the world's biggest commercial bank, officially opened Bank of America House—formerly Gateway House (the old Wiggins Teape building, which British American Tobacco sold to the Imperial Tobacco Pension Fund for around £27m.).

One of the more controversial aspects of the bank's refurbishments (total cost around £2.6m. after the £3m. plus that the pension fund spent revamping it) is the raised garden outside. This the bank has provided at a cost of some £30,000 and the City Corporation has agreed to take it over from there. But yesterday (July 19) the plaque commemorating the takeover by the Corporation was set into one of the walls and in full view of passers-by. A risky business that, since the formal takeover only takes place late this afternoon.

The garden itself has caused a certain amount of fuss and has had its own problems. The fuss because, although it looks OK from a second-floor window, the passing pedestrian gets the overwhelming impression of shoulder-high concrete walls with plants peeping over the top. The problems arose because lack of rain caused the grass, and a number of the newly planted shrubs, to die—needing replacement at short notice to prevent the Lord Mayor taking over a partial desert.

The weather should eventually look after that problem, while a bank spokesman assures me that the garden designed (inevitably?) to mark the Bicentenary, will grow tall and overshadow its dominating wall surrounds.

"If only they would keep sport out of politics."

Unkind

Here are a couple of (accidentally) callous tales. The Royal Society for the Prevention of Accidents publication Care on the Road berates the House of Commons in its latest issue for showing so little interest in the Bill for making the wearing of seat belts compulsory. RoSPA is a fine organisation but the last few lines of the article make you wonder a bit: "Let's hope," the society declares, "that the Road Traffic (Seat Belts) Bill can be placed on the statute book before the end of the present Parliamentary session. And before any more needless lives are risked."

Meanwhile, down in Hampshire, a reader was told the following in an insurance agent's letter: "In view of your requirements, I would advise you to consider the policy of which details are enclosed. As you will see, in addition to providing the cover you need it includes payment of £2,000 in case of your husband's death and other benefits."

Litellally?

The Russians, I have always believed, are keen on Dickens because they can convince themselves that conditions in Britain haven't changed much since his day. Yesterday, ATV announced the sale of a film of Great Expectations to the Chinese—but Ian Jessel, sales director of ATV's ITC Films subsidiary, said he gathered the People's Republic did not regard Dickens in the same light. The four-man delegation from China which arranged to buy the film explained that he is appreciated for literary merit and screenings will be restricted mostly to the intelligentsia.

This is only the fourth U.K. film to be bought by China since the cultural revolution. The others included Tales of Beatrix Potter: safe to assume, I hope, that no one anywhere thinks that British life is like that.

Khouri's Line

The tragically confused troubles in Lebanon hold particular interest for many of the large numbers of people of Lebanese extraction living outside the country, who now total some seven or eight million which is well over double the number in Lebanon when the present conflict started last April. The common interest of those abroad finds expression in the World Lebanese Cultural Union, a body that, significantly, is starting to become more active politically.

This new line, and the possibility even of a government-in-exile being formed "since there is none in Lebanon," is expounded by Samil el Khouri from Ecuador, president of the union's American Continental committee which covers the majority of Lebanese abroad, including the 2.5m. in the U.S. and 2m. in Brazil.

Those Lebanese at large who have achieved prominence include Alfredo Abou Zeid, Brazilian minister of the interior and Najeeb Halaby, former chief executive of Pan American Airways. Khouri, born in Zhale in Lebanon's Bekaa Valley, scene of much recent fighting, has been in London on a trip to buy textile machinery for carpet manufacture.

Reporting the new mood of the cultural union's leadership, Khouri is critical of Lebanon's traditional bosses but makes no bones about the bias of his organisation — after all, only 5 per cent. of Lebanese abroad are Moslems. He denies that expatriate Lebanese have so far contributed arms or money on any scale to Christian militias in the country.

Like their Phoenician ancestors, many Lebanese communities abroad have prospered, prompting Khouri to see the cultural union as a potential equivalent to the World Jewish Congress, though the likely impact in Lebanon itself would seem as uncertain as the future of the country.

Super slip!

Although it's only Tuesday, yesterday must have produced the Press release howler of the week. Charles Barker City informs me that the Kuwaitis are lending the Yugoslavs the equivalent of roughly £2.5m. to assist with the modernisation of the Siberian railway system. I suspect that President Tito would be happier with modernisation of the Serbian railway system and might be a reluctant visitor to the other place.

Observer

CIETY TO-DAY

BY JOE ROGALY

A violent warning on the wall

RITING is quite literally wall. "Niggers must not seat while humans have l," it says on more than ciage-wall on the London round. The example is lated; the unpleasant have spread, and ed.

ne who was raised in Africa, as I was, or any- has seen the effects of al prejudice at work in of, say 10 years ago e no difficulty in appre- the dangers for Britain. l be an exaggeration to race relations are any- ke as bad in Britain as re in America or as they e in the Afrikaner , but it is the plain it the situation here has turn for the worse. It ely get worse still; no say when it will get

vidence for this deteri- s, sadly, more than a ble of rude writings on For the first time since a political campaign on racial antipathy has make headway. Until or so ago those who d this most destructive emotions had to rest with the speeches of two fringe politicians. ey have the National nd its offshoot the Party.

October, 1974 General the National Front put ndidates, but it failed even as much as one e per cent. of the votes by-elections and local since then its vote has , and in Rotherham on t attracted 5.9 per cent. tes. In Thurrock last week its score increased again, to 6.6 per cent. Its success has been much more marked in some local wards; if it heals its breach with the National Party, or if that splinter party withers away, the Front could conceivably start moving towards a national average vote of something approaching 10 per cent.

Unless this tide is reversed, it can reasonably expect to win some seats on local councils within the next year or so. Capturing a seat in Parliament is not quite so easy, but in a four-way contest, with the three main national parties splitting the majority vote, it is at least theoretically possible to take a constituency with under 30 per cent. of the votes. In Dunbartonshire East, for example, Mrs. M. A. Bain holds the seat for the Scottish Nationalists on 31 per cent. of the votes cast; if stay-at-homes are counted, her support is seen as just a quarter of the electorate.

It would be alarmist to say that the National Front will pull off any such coup, but it would be foolish to ignore the fair probability that it may do so.

At the same time there has been a marked increase in the number of acts of violence against Asians, who seem rather more than West Indians to be bearing the brunt of the present wave of attacks. Damage has been done to houses, temples, and individuals. The attackers have made no secret of the racial motivation of their actions. This kind of thing feeds upon itself. At a time of high unemployment and national disillusionment, with large concentrations of people of a different colour living in or near decaying working-class communities, the phenomenon is hardly surprising.

Police watch as Asians protest in Southall; racial violence is on the increase.

Putting the telescope round the other way, it could be said that what is really astonishing is not the extent of what has happened but the limit of it; especially given the recent hot summer weeks. To top it all, some of our newspapers and too much of our television is likely to feature articles or broadcasts involving race in a manner that suggests that those in charge have learned little from the history of the 20th-century.

The long line of television "comedies" based upon racial jokes of which any American company would be heartily ashamed does not appear to have relieved tensions, and it is at least a fair hypothesis that by making such comments semi-respectable ("after all they say it on the television do not they?") such shows have contributed to the atmosphere in which the National Front can flourish.

The elevation of the gentleman who displayed a racialist notice outside his house into something of a national figure could not have been managed without the thoughtless co-operation of some of the newspapers and the television.

It is important to be clear about this. A notice that says a house is for sale to Englishmen only is undoubtedly news; it is right to report it. But making the notice, and the "martyr" who went on hunger strike to defend it, into a centre of national attention simply adds to racial ill-feeling. It is surprising that in a kingdom that includes Northern Ireland this point should be so difficult for some people to understand.

These observations about others in my own profession are not intended as more than an illustration of the central weakness in Britain's general attitude to race relations, which is this: until we actively carry out the policies in which a majority of us say we believe, matters will get worse. Most of our politicians seem to be scared stiff of the National Front and the phenomena it stands for; unless they grasp the nettle they will have increasing reason to be afraid.

Thus the answer to those who ask, "so things are bad—what can we do about it?" is—let the leaders of the three main political parties proclaim, jointly, that they stand by the essential ingredients of an agreed policy. The ingredients are there, if the politicians are willing to accept them. They are as follows:

Immigration: It is my personal view that if Britain had not panicked about immigration some 15 years ago we would have had fewer barriers and people would have come and gone as unemployment ebbed and flowed. But that is now in the past; as matters stand the political requirement is a politicians' declaration to the effect that non-white immigration is under control, that the numbers likely to be here at various points in the future are such and such, and that our affairs will be so managed that these numbers will be made to be accurate. If this is said, and meant, it will be convincing: once it is done the issue of immigration should be placed where it should have been all along: as consequential upon internal race relations policy, and not the other way around.

Race relations: It is an immense pity that the Conservatives could not bring themselves to vote for the new Bill on its recent Third Reading. The party did officially abstain, with the Right-wing rump against it exposed in the vote as down to three, plus two tellers, but a Tory vote in favour would have been a more courageous expression of Mr. William Whitelaw's hand-wringing: "Although we have doubts about the Bill, we hope that it will have some success."

The Bill is the latest in a now long line of attempts to use the law to prevent overt acts of discrimination. There is a definite limit to what the law can do in this field, but the new commission, which cannot start work until after the Bill receives Royal Assent in the late autumn, would be helped by support from all the main political leaders. No one has ever pretended that the law can make people like one another, but the existing legislation has already shown that it is possible to act against some of the discrimination in housing, employment and public places.

Direct action: The Government as a whole commands vast administrative powers that, say, a special Minister at the Home Office could be enabled to put to good use. He, or she, would start by differentiating between the West Indians (most of whom have very "English" attitudes and many of whom need special help in housing, schools, and job-hunting) and the Asians, many of whom can very well help themselves in everything save perhaps physical protection from abuse and assault.

With this in mind, the responsible co-ordinating Minister would look to the support given by other departments. The Department of Employment would, in such a Government, state its solid support for the new Race Relations Commission, as the chairman of the present Race Relations Board, Sir Geoffrey Wilson, has proposed. The Government would then take executive action to promote equality of opportunity through government contracts, in the nationalised industries, through local authorities and elsewhere.

In channelling help to communities with concentrations of West Indians such a policy would cost money, but nothing that marginal cuts elsewhere could not accommodate—given the will. The rest is administrative, and its cash cost could be negligible.

Some will say that such a policy would discriminate against whites; if it did so it would be both absurd and provocative. There is no need for any such thing, given proper attention to the details by a sensitive Minister.

Every part of the policy outlined above is well within the principles already accepted by leaders in all three parties. The Prime Minister has himself begun to make forthright noises in this direction. All this is hopeful, but those who have a feel for the situation, by seeing it on the streets, will say that it is not nearly enough. The threat is still small, and containable, but it will probably grow if it is neglected.

Unhappily, it probably will be neglected. For it could be that no policy, even one on which there is already so wide a consensus, can be carried out until a few more tragedies have alerted more people to what has happened. The trouble with writing on the wall is that so many of us pass it by in such a hurry.

Letters to the Editor

closed

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D. Cadisch.

ring the past fort- firm has received two m other companies in- us that supplies de- their premises will not ed unless our drivers ce a union card. One companies is BP Oil ery Ltd., Rochester. a small, efficient and concern, providing a Industry, and we do any union members. action threatened in rs is carried out, our l be denied the right their normal occupa- heir livelihood will be due to pressure by minority with which no connection. ed shop is one of the reats to our freedom, utrageous development lly more sinister as it oycott goods and ser- lied by organisations not operate one. How t be before the same fuse to accept goods red by non-union

ill the British public, ont, of whom have no on affiliation, realise ly our freedoms are ed? The steam-roller m moves quietly but on. If we do not see t will flatten us all. Cadisch.

and Sons, ne., rk Road, V.3.

sh Leyland iting

E. Maddox.

ir report of the Ley- ting drive (July 17) is s for the future of the our public money. It that Leyland has no f correcting the situa- by Leyland's cars have manpower component n cars. Obviously, if ere improved to com- vels with its con- ompetitors, not to apan, it would be reach the higher hout increasing man- the Leyland financial ould become viable. overmanning position oughout British indus- e possible exception are and we produce lf per man and spend ll over the level of tors it is ludicrous for cellor and Prime pretend that we are flation or that the pound will stabilise.

ft, Stansted, Essex.

ide union

. Streatfield

T. Arthur (July 16) commented upon ks of Mr. Leslie ly 13) regarding the of tax evasion by at that taxation is No doubt he, like self included, feels extra burden of tax effort since honest taxed but crime is

tie may be attacked moral aspect. The the union on whose rote (The Society of ts) may be defined fter its members who £24 per annum for e. What, may one do with the members If Government policies lead to less jobs for school leavers? It may indeed be a matter of regret that, as the letter suggests, some 35,000 children need jobs, but the channel for civil servants to express their feelings on this subject is not through Mr. Christie whose behaviour I regard as immoral in diverting the funds of his union to an objective (reducing child unemployment) which is not within the rules of his union, which I feel can have no unemployed children in membership, and never will.

Mr. Christie's behaviour is typical of present-day union leadership. Looking a little deeper I realise that by opposing public expenditure economies, which can benefit me and all taxpayers, he may indeed help to bring down the present Government. At which point I would expect civil servants to be hated by politicians on both sides of the House and likely to get short shrift from any government if they asked for extra pay.

I became a civil servant before the war at a time when they were considered to be and were actually respected as useful members of society who maintained high standards of government for the general benefit of the public. All governments were concerned to maintain an efficient and politically impartial service and took care to ensure its servants received fair remuneration and good conditions of service so that they remained free from the taint of corruption. This could be afforded as a policy because there were far fewer civil servants, indeed allowing the numbers to fall might even benefit the remaining civil servants.

L. Streatfield.
14, Glenair Road, Parkstone, Poole, Dorset.

The Thurrock by-election

From Mr. F. Stark.

Sir,—One of 16 of those who voted in the Thurrock by-election voted National Front. It was obvious from canvassing in the constituency that the majority of these people were forsaking the party of their real choice to register a protest vote on the immigration problem.

They are not racialists; they are just very very angry that they have never been consulted on this question that is more fundamental to the future of their country than even the Common Market or Nationalisation and that since the war immigration has been foisted on to us by by a succession of Governments without any reference to the desires of the native population.

I have never voted National Front, nor even seriously considered voting for them and I canvassed in Thurrock for another Party, but it was clear from the canvass that a bandwagon is rolling at an increasing velocity for the National Front. The other Parties will ignore the message at their own and the country's peril.

F. Stark.
Highlands,
176, Southend Road,
Wickford, Essex.

Richmond's choices

From Mr. D. Graham.

Sir.—We have just had a local government by-election in the London Borough of Richmond upon Thames, Ham and Petersham ward. Quite a number of Conservatives said to me: "I wish we could vote 1, 2, 3, to show the order of our preferences. But if we vote Tory *here*, we shall probably keep Labour in this council seat. We would rather have the well-placed Liberal."

Perhaps this was one of the causes contributing to the attractive Liberal candidate winning the seat from Labour with a 534 majority and a drop of 100 in the Tory vote since May, 1974.

David M. Graham.
8, Vine Road,
Barnes, S.W.13.

Local authority spending

From The Treasurer, Greater London Council.

Sir,—In his article of July 12 on "How Whitehall grants invite local authorities to spend" Colin Jones quotes co-efficients of correlation between the resources element of rate support grant and an authority's "propensity to spend." As usual, the blackest picture is attributed to London. As usual, it has a false base. Only 3.1 per cent. of the total national resources element of over £1.7bn. from taxpayers comes to help London ratepayers, who have to do a good deal more among themselves to lessen the inequality of resources over different parts of London. Whitehall grants certainly do nothing to "invite" London local authorities to spend.

R. H. Gandy,
Treasurer's Department.
County Hall, S.E.1.

Managing energy

From Mr. T. Williams.

Sir,—Isn't it about time that the Government stopped paying lip service to fuel saving in industry and really got down to doing something positive about it? Millions of taxpayers' money have been spent on TV commercials aimed at persuading the general public to "Save It" — with doubtful effect — but hardly anything worth mentioning has been done to encourage industry to save energy.

I have been told by the Department of Energy that since "it is in a firm's own interests to save energy it is up to it to make the running." But this overlooks the fact that many firms—particularly the smaller ones — don't know enough about fuel technology to tackle the problem without help, and for an increasing number of such firms fuel costs are fast becoming the "straw that breaks the camel's back." It is all very well for the Prime Minister to assure us at the recent National Energy Conference that Britain's energy resources are plentiful, but this doesn't help the company that is going broke because its present energy bills are more than it can bear!

At a time when unemployment figures are up yet again why not, instead of paying men with a technical background—potential energy managers—to remain unemployed, give them suitable training in energy saving and then place them in industry where they could assist firms to be more competitive and also help reduce the country's balance of payments deficit. Thus two birds could be killed with one stone (1) more energy could be saved in industry and (2) a useful number of people at present paid to do no work could be gainfully employed.

Trevor G. Williams.
22, Firs, Glen Road,
West Moors, Wimborne, Dorset.

Awaydays for railmen

From Mr. H. Wilson.

Sir,—If one looks at the 1975 accounts for British Rail one sees not only that the tax payer has been making direct grants to that organisation totalling £506m. but that in addition there was a "reduction in liabilities" of £447m. (What has happened is that a kind Government has cancelled a whole lot of debts that BR owed us). All in all the railways cost us almost £1bn. in 1975.

So the question we must start asking of Mr. Weighell and others is not what sort of railways we can afford but can we afford any railways at all? Wouldn't it be cheaper just to pay the railwaymen to stay at home like the dockers?

Hugh W. Wilson.
8 Hospital Hill,
Waterside,
Chesham, Bucks.

Insure the benefits

From Mr. D. Reoch.

Sir,—Mr. P. Giles (July 14) puts forward two reasons why pension fund trustees, now responsible for the investment of the funds, should "insure the benefits." I take it that he is referring specifically to members' pensions, and not to death in service benefits, which are, in virtually all cases, insured anyway. The first reason is "a good return." I doubt if "good" is good enough. In schemes where pensions are related to final salaries, the yield had better be very good indeed if it is to match future liabilities and at the same time provide a basis for improvements in benefits. In your same edition, dated Gilts are shown as yielding up to 14 per cent.—a rather better return than merely "good." But the second reason is extraordinary indeed. by insuring the benefits trustees would be secure against action similar to the London Co-op case. Of course they would. If we all stayed in bed, none of us would get run over.

The duty of trustees is, in general, to ensure that benefits can be, and are, paid. If they can reasonably expect a better return from a fund that they, with their professional advisors, administer and invest then that is the path they should follow. There may be sound reasons why a scheme should be insured, but "a good return" may not be, and freedom from action certainly is not among them.

David Reoch.
109, Jermyn Street, S.W.1.

Use of older talents

From The Managing Director, Part Time Careers.

Sir,—Sue Cameron's article of July 14 (the 'bulge' blocking promotion) prompts me to write of those who will be affected by the present early retirement policy of the large clearing banks and find themselves out to grass long before they are ready to give up.

Necessary as this policy may be, it is demoralising for the people concerned and wasteful of talent. It is essential that they are encouraged to look for some new outlet for their skills and experience. Part-time employment on a permanent basis is here to stay and there are many opportunities within an office environment. It is a pattern which attracts many people of high calibre who can no longer work full time owing to various commitments and should certainly attract the early retired.

Employers want the job well done. They ask for the sometimes forgotten virtues of discipline and loyalty which they think they are more likely to find in those of a past generation. Age is immaterial if the skills are there, together with a certain humility and a willingness to learn new ways if called upon to do so.

Mrs. Kay Sykes.
10 Golden Square, London, W.1.

To-day's Events

GENERAL

Provisional unemployment figures and unfilled vacancies, July.

Parliamentary Labour Party again discusses proposed public spending cuts.

TUC Economic Committee meets.

EEC Foreign Ministers and Agriculture Ministers end two-day meetings, Brussels.

Stock Exchange Council considers its advisory committee's report on feasibility of setting up options market with existing members.

Sir Harold Wilson MP presents award to "Newsboy/Newsgirl of the Year," Savoy Hotel, W.C.2.

Sir Lindsay Ring, Lord Mayor of London, attends handing over to City of landscaped garden in front of Bank of America, Cannon Street, E.C.4, 5 p.m.

Royal Welsh Show opens, Builth Wells.

PARLIAMENTARY BUSINESS

House of Commons: Timetable ("guillotine") motions on Aircraft and Shipbuilding Industries, Dock Work Regulation, Education, Health Services and Rent (Agriculture) Bills.

Commons Select Committees. Violence in the Family. Subject: Violence to Children. Witnesses: Representatives of Park Hospital, Oxford; Dr. Keith Beswick, Didcot. Direct Elections to European Assembly.

House of Lords: Sexual Offences Bill and Race Relations Bill, second readings.

OFFICIAL STATISTICS

First quarter figures of appropriation account of companies: net acquisition of financial assets—analysis by sector; and financial accounts of industrial and commercial company and personal sectors.

COMPANY RESULTS

British-American Tobacco (half-year).

COMPANY MEETINGS

Alpine Soft Drinks, Birmingham, 12. Charter Consolidated, Winchester House, E.C., 12. Churchbury Estates, Connaught Rooms, W.C., 12.30. Electra Investment Trust, Electra House, Victoria Embankment, W.C., 2.15. Ewer (George), Connaught Rooms, W.C., 11.15. Leaderflush Doors, Nottingham, 12. Leigh Interests, Edgbaston, 12. London Prudential Investment Trust, 20, Fenchurch Street, E.C., 11.45. Mocanie (London), 22, Hanover Square W., 3. Property Holding and Investment Trust, Dorchester Hotel, W., 12.15.

SPORT

Golf: English amateur championships, Ganton. Scottish amateurs, St Andrews. Welsh amateurs, Royal St. Davids.

COMPANY NEWS + COMMENT

Casinos boost Coral to £4m. at midway

ON TURNOVER up by £10m. to £77m., pre-tax profits of Coral Leisure Group rose from £3.59m. to £4.01m. in the first half of 1976.

The results reflect a significant improvement in casino profits and the directors expect this improved trend to continue as a result of increased tourist activity. Profits for 1975 reached £6.53m.

The group is now in a stronger position than ever before, members are told, and despite the economic uncertainties the Board feels sure that the company can meet expectations in the future and continue the development of the group.

	First half 1976 £000	First half 1975 £000	Year 1975 £000
Group turnover	77,000	67,000	140,600
Trading profit	4,045	3,792	6,665
Interest payable	33	202	136
Pre-tax profit	4,012	3,590	6,529
Taxation	2,086	1,867	3,550
Net profit	1,926	1,723	2,979
Minorities	227	173	306
Attributable	1,699	1,550	2,673

Turnover in the bookmaking division has shown an encouraging increase although profits have been somewhat reduced compared with last year due, partly, to unusual weather conditions in the South of England which have resulted in hard going and small fields leading to a reduction in gross profit margins.

Bingo trading has been steady and profits have been running at satisfactory levels.

The company's offer to purchase the outstanding share holdings in Brighton and Hove Stadium has proved successful and it now holds acceptances in excess of 92 per cent. of the issued capital.

The Board intends to declare an interim dividend early in November and, as previously announced, total dividends in respect of the current year are expected to amount to 8p per share net, compared with 5.817p.

● **comment**

It seems that even the bookmakers are affected by the drought. Coral Leisure Group has been getting a lower profit margin because the hard ground has led to smaller horse-race fields. Higher volume has not offset the smaller margin, so the 12 per cent. profits rise is entirely due to the casino division. The four casinos are all in London's West End and have benefited from the increase in tourism and the elimination of last year's frauds. Coral is now completely de-geared, but the new capital investment promised at the time of the rights issue will begin in earnest this winter with a £3m. contract for development of the leisure complex in Blackpool. Meanwhile, the purchase of Brighton and Hove greyhound stadium in June reflects fears for the future of the horse-racing industry, on which the bookmakers have been so dependent. Nonetheless a yield of 11.2 per cent. (3 points above the industrial average) at 110p seems generous given Coral's profit history.

INDEX TO COMPANY HIGHLIGHTS

... period of last year, after taking in exchange gains of £336,000.

Although conceding the difficulty of forecasting the directors had looked favourably to 1976. They now state that turnover rose £6.6m. to £37.89m. in the half year.

There is an exceptional credit of £367,000 this time, but no tax charge (£286,000).

The company is American-controlled.

Exchange losses hit Burroughs Machines

The devaluation of sterling has hit Burroughs Machines. After an exchange loss of £3.07m., it has run into a loss of £2.1m. for the six months ended May 31, 1976.

This goes against a profit of £284,000 in the corresponding period of last year, after taking in exchange gains of £336,000.

Finance costs hit Arlington

AFTER SUBSTANTIALLY higher interest charges of £467,000 compared with £264,000, pre-tax profits of Arlington Motor Holdings fell from £776,000 to £542,000 for the year to March 31, 1976. Profits for the first 23 weeks were £389,000 against £433,000.

Full year earnings are shown to be down from 11.5p to 8.86p per 25p share. The final dividend is 3.09p net maintaining a 6.49p total.

	1975-76 £000	1974-75 £000
Turnover	23,263	23,379
Trading profit	1,009	1,040
Interest charges	467	264
Pre-tax profit	542	776
Taxation	274	409
Net profit	268	367
Extraordinary credits	142	*15
Minorities	13	9
Profits for Ordinary	437	343
Interim dividend	46	†130
Proposed final	167	69
Retained	224	155

* Debits. † £61,973 satisfied by issue of 114,685 Ordinary.

The chairman, Mr. N. C. N. Housden, says that the impact of cost inflation marginally reduced trading profit but the major cause was the increase in financing costs representing 87 per cent. of the reduction.

Nevertheless, the directors feel the result is reasonably satisfactory in a year which saw, in addition to the increase in costs, a major recession in the commercial vehicle market.

Although the group has left the worst of the trade downturn behind, it is not yet operating at an acceptable level, states Mr. Housden. At the same time greatly improved liquidity and improved terms of finance resulting from the sale of surplus properties and tax refunds are proving of great assistance to current year's results. "We expect to see a steady improvement in the commercial vehicle market during the remainder of the year," he adds.

● **comment**

Increased profits at Arlington from cars and passenger vehicles taking their sales contribution up from 33 to 40 per cent. compensated for a downturn in commercial vehicles and the group held the trading profits above £1m. However, a £200,000 jump in interest charges took the edge off the pre-tax performance, but by the year-end the borrowings trend had reversed itself with the help of some asset disposals. Borrowings supporting the HP business rose by £200,000 but those of the rest of the group fell by £800,000 to leave the total debt £600,000 lower at £1.8m. Commercial vehicle sales at the heavier end should revive later this year and with lower interest charges Arlington could regain some lost ground. Meanwhile the shares at 85p, down 2p yesterday, yield 12½ per cent. and give a p/e of 9, so there is room for a recovery after the initial adverse reaction.

Rosgill loss–no dividend

IN VIEW of a loss of £363,000 incurred by Rosgill Holdings in the year to May 19, 1976, compared with a pre-tax profit of £794,000 for the previous year, no dividend is recommended, against a total of 2.31p net per 5p share.

	1975-76 £000	1974-75 £000
Party plan turnover	13,765	14,290
Discount stores	12,264	14,227
Total turnover	26,029	28,517
Party plan loss	267	*702
Discount stores loss	236	*119
Interest charge	60	56
Pre-tax loss	563	*794
Tax credit	209	†424
Dividends	—	111
Extraordinary losses	572	—
Loss retained	926	*148

* Profit. † Charge.

Following the announcement that agreement in principle had been reached for the sale of Moneysave, the figures reported show the full trading losses up to the date of completion. Extraordinary items of £572,000 include both capital and revenue losses arising on this disposal.

Pippa Dee Parties made a trading profit of £279,000, subject to debits of £486,000 comprising £83,000 for a change of policy whereby demonstration garments were issued in April and May, an additional provision of £260,000 against end of line stocks, and initial cost of £144,000 incurred in setting up new party plan and direct selling ventures.

● **comment**

The market already knew that Rosgill's discount store operation had gone under and was sold to Supasave for £1, but the bubble has finally burst with the news that the party plan business made a £131,000 trading loss in the second half of 1975-76 even before exceptional costs of £486,000. The provision against end of line stocks represents a tenth of total stocks in the last accounts, and the additional costs of demonstration garments and a new party plan would seem to indicate that the group is changing its approach, though no other information is disclosed. Coming down to the attributable level a debit of £926,000 makes a nasty dent in last published shareholders' funds of £1.4m. and borrowings are now presumably well in excess of £389,000 shown a year ago. The shares closed 1p up at 11p yesterday ahead of these results.

Rothschild Trust turns in £3.24m.

REVENUE before tax of Rothschild Investment Trust finished the year to March 31, 1976 £0.22m. ahead at £3.24m.

Basic earnings per £1 share are given at 12.5p (13.9p) and fully diluted at 13.2p (14p). The dividend total is stepped up from 9.505p to 9.555p with a final of 6.825p net.

	1975-76 £000	1974-75 £000
Dividends and interest	4,089	3,597
Underwriting and dealing	233	345
U.K. prop. inc.	332	233
European prop. loss	389	33
Leasing income	400	47
Total income	4,861	4,411
Management expenses	341	310
Interest	1,097	1,036
Revenue before tax	3,239	3,021
Taxation	1,649	1,303
Net revenue	1,590	1,721
Minority profit	1	1
Available	1,557	1,719
Preference divs.	412	412
Ordinary divs.	899	894

Net asset value, pre conversion at March 31, was 345p (430p) per share and post conversion 352p (445p) excluding Frank H. Ayling and its subsidiaries.

See Lex

Johnson-Richards up £1.16m.

A SECOND HALF standstill resulted in H. and R. Johnson-Richards Tiles finishing the year to March 31, 1976 ahead £1.16m. at £4.08m. after being £1.15m. in front with £2.39m. at midway.

The final dividend is 3.427p net stepping up the total from 3.321p to 5.73p at a cost of £316,000 (£287,000). Earnings per 30p share are up from 24.8p to 34p.

External sales of the company, which manufactures ceramic tiles, improved from £36m. to £41.34m. during the year, resulting in a trading profit expansion from £4.82m. to £6.33m. U.K. tax took £1.42m. (£1.28m.) and overseas tax £332,000 (£332,000).

	1976 £000	1975 £000
External sales	41,376	35,996
Trading profit, etc.	6,325	4,816
Depreciation	1,414	1,590
Interest	176	309
Share of associates	146	406
Profit before tax	6,333	2,924
U.K. tax	1,422	1,283
Overseas	332	332
Net profit	4,128	1,309
Minority profit	286	†31
Extraordinary credits	—	89
Available	1,880	1,428
Preference dividend	6	6
Ordinary interim dividend	129	119
Final	187	168
Retained	1,588	1,133

† Loss.

● **comment**

After the bumper first half, the stock market was clearly looking for something better from Johnson-Richards than a 39.6 per cent. profit increase, and the shares, which have been strong of late, closed 16p lower at 204p where they yield 4.4 per cent. First half profits rose way above reference levels and the company was unable to raise prices to cover rising costs in the second half. U.K. trading profits (⅓ of total) rose by a mere 2 per cent. over the full year as a result. Overseas, associate profits dropped 63 per cent., reflecting a long strike in India and the impact of Italian and Spanish dumping in Greece. But this was more than offset by a sharp recovery in Australia and South Africa (however, the U.S. operation is losing money still). This year, a 1 per cent. price increase in April should soon be followed by another 6-7 per cent., but the continued depression in world demand combined with the existence of surplus export capacity in Europe will mean that the return on capital employed (currently 15.7 per cent.) is unlikely to recover to its 1973 level of 23.6 per cent. for some time to come.

Freddie Mansfield

Mr. Basil Samuel, chairman of Great Portland Estates.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arlington Motor	3.09	—	2.09	6.49	6.49
Coghlans	11.73	Aug. 27	10.66	11.73	10.66
Dewhurst & Partner int.	0.24	Sept. 6	0.24	—	0.8
F.S. Development	5(a)	Sept. 16	10	9	14
Harold Ingram	1.39	—	1.26	2.56	2.36
H. & R. Johnson-Richards	3.43	Sept. 2	3.12	5.73	5.32
Montague L. Meyer	2.83†	—	1.01	3.75	1.91
New London Props.	5.25	Sept. 10	2.81	5.25	4.79
A. Preedy	0.86	Sept. 17	*0.76	1.28	*1.18
Rank Organisation int.	2.19	Nov. 1	2.19	—	6.48
Rosgill	Nil	—	1.26	Nil	2.31
Rothschild Inv. Tst.	6.83	Sept. 21	6.83	9.56	9.51
Status Discount int.	0.65	Sept. 6	Nil	—	Nil

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents.

More delay in Dollar Land litigation

There is to be a further delay in arriving at a settlement of the legal disputes involving Dollar Land Holdings in the U.S. A letter to shareholders from chairman Mr. Hugh Bracket, states that it is unlikely that the New York Court would deliver judgement in mid-July, as hoped, and that "itseems almost certain that there will be no end to the litigation before autumn, at the earliest."

He states in the letter that, with the company's advisers in New York and Toronto, there have been exchanges with other parties to the litigation to explore whether any common ground can be found which would result in an arrangement, which would remove the possibility of appeal, or of further litigation."

The legal disputes arose over Cross County Center, originally developed by the late Mr. Sol Atlas.

Mr. Brackett also tells shareholders that the accounts are ready much earlier this year and disclose a basically unchanged position and they are expected to be despatched early next month. An extraordinary meeting will be held on September 10, immediately after the annual meeting, to report on the latest position regarding the litigation. It will be proposed at the EGM that shareholders approve that the the Board may concur in a settlement "if it is satisfied that this would be to the company's advantage and the settlement had received the sanction of the trial judge."

DENBYWARE

The directors of Denbyware state that the comparative turnover figure reported on July 16, should have read £6.183m. not £4.36m.

Gt. Portland to consolidate

NOW THAT the current development programme of Great Portland Estates is virtually complete, it is, in principle, intended to consolidate the existing position and undertake only those developments and refurbishings which make sense in the context of the economic situation, recent legislation and the near impossibility of obtaining satisfactory and speedy planning decisions, says the chairman, Mr. B. Samuel.

While the last 12 months has seen the return of a measure of stability to the property market, the directors do not consider that the stage has yet been reached to commission a valuation of the portfolio for incorporation in the accounts.

Group fixed assets at March 31, 1976 are shown at £78.81m. (£72.67m.). In the directors' view the present value of the portfolio stood substantially above the figures shown in the accounts, it is stated.

As reported on June 10 rents receivable increased from £4.7m. to £6.5m. and net revenue, before tax, improved from £1.42m. to £2.71m. in the past year.

Mr. Samuel points out that letting of newly completed developments has not met with the speedy success anticipated. However 88-104 Bishopsgate and 1-11 Camomile Street have been let at £840,000 per annum, and there is a lively interest in practically everything else the company has to offer.

As to the accounting standard on depreciation issued by the Accounting Standards Steering Committee, the chairman says the company does not intend to comply though, he understands, it will cause the auditors to qualify their report on the accounts.

Chairman's statement Page 12

Status Discount upsurge

TURNOVER OF retail discount stores, Status Discount increased from £5.07m. to £6.32m., and pre-tax profit expanded from £95,000 to £315,000 in the 28 weeks to June 12, 1976.

Although the hot weather has deflated sales at the start of the second half, it is expected that the progress seen in the first half will continue throughout 1976, the directors state.

Profit for the year to November 30, 1975 was £366,801.

Dividends are resumed with the declaration of an interim of 0.65p net per 10p share.

Tax for the 28 weeks absorbs £166,000 (£50,000).

The dividend is being paid in view of the gradually improving position. After waivers it will absorb £43,500.

A long-term programme of upgrading some larger stores with improved fixtures and customer facilities has commenced. Two are already completed and are showing a significant improvement in performance. By the end of the current year it is hoped that a further three will be completed, the directors state.

● **comment**

Status Discount's comeback from the 1973-74 depression has continued at a steady pace in the current year with first half profits 15 per cent. better than those of the previous six months. Rental income has eased slightly—from £121,000 to around £100,000—and is likely to fall further as the year progresses. Even so, trading is apparently improving as customers begin to accept the group's higher margin own brand products in paint and kitchen furniture. Meanwhile, cost savings are beginning to come through from the streamlining of the sales operation; 10 stores were closed in the first half leaving the total at 65. Although the shares at 44p may derive some support from the group's return to the dividend stakes, which could produce an annual yield of 8.9 per cent., any significant upward re-rating will probably have to wait until the high borrowings (debt is still in excess of shareholder funds of around £2.1m.) has been reduced.

8% rise from A. Preedy

AFTER A virtual standstill at midway, taxable profit of Alfred Preedy and Sons expanded 8 per cent. from £0.78m. to £0.85m. for the year to March 27, 1976.

Earnings per 25p share improved from 5.51p to 5.63p and the total dividend is effectively raised from 1.176p to 1.27975p with a final payment of 0.86375p net.

	1975-76 £	1974-75 £
Turnover	39,549,417	36,453,691
Profit before tax	845,552	782,282
Tax	477,831	421,473
Net profit	367,621	360,809
Attributable	364,990	358,099
Pref. divs.	10,598	10,681
Ordinary divs.	80,634	74,068

● **comment**

If not for the need to eliminate 1974-75's excess profits of slightly over £¼m., Alfred Preedy would be reporting around £1m. pre-tax last year. In the event, profits advanced 14 per cent.—excluding surplus on property sale—with pre-tax margins declining from 2.76 per cent. to 2.12 per cent. However, it reckons that this is still slightly above the reference level. Notwithstanding this, current year profits should still show a useful increase. Though sales have flattened out, they are ahead of inflation: the ability to achieve this is due to AP's competitive pricing policy in tobacco sales which account for 70 per cent. of turnover. The company is buying or opening eight new retail outlets at High Streets this year. At 36p, the p/e is 6.2 and the yield 5.6 per cent., covered 4.4 times.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	101½	81½	Automated Sec. 10p	91½	......	b0.65	2.5	10.8	5.6
—	F.P.	—	£25¾	£21⅛	Berry Pacific Fd. US$1	£25½	......	40c	—	0.9	—
—	F.P.	—	31⅛	25½	Esmark $US1	£25¼	−⅛	Q$1.52	—	2.9	—
—	F.P.	20/8	62	61	Leech (Wm.) Builders	61	......	25	2.1	12.8	5.5
67	F.P.	6/7	45	41	Wilson Walton Eng.	42	......	b5.16	1	11.8	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
£99	£50	26/8	50	47½	Birmingham City of 14% Red. Stock 1985	49⅝	......
US$100	F.P.	—	$99½	$99⅛	Bowater 9½% Bonds 1986	$99½	......
£100	—	—	104	100	Debenhams 11½% Con. Uns. 1995-6	101	−1½
US$100	F.P.	—	[illegible]	[illegible]	IAC 9¾% Notes 1981	$97½	......
US$50	Nil	—	[illegible]	[illegible]	Lloyds Eurofinance Guar. Fl'ting N'tes 1983	$95	......
**98	£10	3/9	10½	10	Mid Kent Water 8% Red. Prf. 1981	10	......
US$99½	F.P.	—	99	99	Nat. Coal Board 8¾% Guar. Notes 1981	$99	......
US$100	Nil	—	$99½	$99	Nat. Westminster 9% Cap. Bonds 1986	$99	......
**£98	F.P.	23/7	99¼	98½	Newcastle & Gateshead 8% Red. Pref. 1981	98½	......
US$100	F.P.	—	99¾	99⅝	Noranda 9¼% Notes 1982	99¾	......
US$100	Nil	—	101	100	Royal Bank of Scotland Floating Rate 1985	$101	......
US$100	F.P.	—	100½	99½	Sandvik Steel Bonds 1986	$100	......
£97.5	£10	12/11	11½	9½	Sandwell (Met. Borough) 12% Red. Stock 1982	9⅞	......
£95½	F.P.	20/8	[illegible]	95¼	Scottish Agric. Secs. 14% Deb. 1985	£95½	......
$100	F.P.	6/7	125	113	Scot. Met. 9% Conv. 1987	119	......
**£96	F.P.	30/7	99½	97½	Sunderland & S. Shields Wtr 9% Red. Pref. 1981	98	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
115	F.P.	9/7	13/8	142	130	AAH	138	−2
20½	Nil	—	—	26	23	Airfix Inds.	25pm	−2
70½	Nil	—	—	65	56	Allied Colloids	65pm	+1
56	F.P.	18/6	6/8	75	64	Bejam Group	74	−1
55	F.P.	21/6	19/7	66	54	Booth (Intl.)	56	......
38	F.P.	19/7	27/8	43½	40½	Charterhouse Grp.	42	−1
14	F.P.	16/6	30/7	11½	14½	Coalite & Chemical	16½	......
28	F.P.	9/7	6/8	35	29½	Downs Surgical	35	......
140a	F.P.	29/6	28/7	196	168	Dunlee-Combex-Marx	193	−5
29	Nil	21/7	18/8	11½	5	Hargreaves Group	6½pm	−½
57	F.P.	5/5	20/7	71½	61	Lloyd (F.H.)	71	......
21	F.P.	22/6	30/6	26	22½	Press (William)	24	......
47	F.P.	10/6	23/7	59½	49½	Ransome, Hoffman, Pollard	58½	......
22½	Nil	26/7	6/9	5½	2¾	Resilient Int'l	4pm	−½
178	Nil	—	—	31	26	Rowntree Mackintosh	25pm	......
24½	Nil	—	—	4	3½	Second City Prop.	4pm	......
58	F.P.	19/7	27/8	73½	61½	SGB Group	71½	......
32	F.P.	16/6	23/7	37½	34	Ladia	37	−½
20	Nil	—	—	13½	10	Vernon Fashions	10pm	......
SA1.20	F.P.	18/6		140	123	Western Mining	136	−4
60	F.P.	9/7	20/8	102	85	W.G.I.	102	+5
70	F.P.	—	—	81	67	Westside-Burmah	67	−2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. s Forecast dividend cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 1976. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ** Issued by tender. ✤ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. § Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ★ With warrants. ✦ After suspension.

هكذا أصل الأصل

Rank first half profits ·ise to £32.8m.

'TS FOR the 28 weeks to 5, 1976 of The Rank Organi- advanced from £39.13m. to n. including £32.77m., t £30.3m., from companies jointly with Xerox Cor- on. Turnover expanded from m. to £180.77m. with exports m. (£15m.).

r interest of £11.25m. com- with £11.07m. the surplus from £28.06m. to £32.78m. to tax of £19.7m. m.).

ide interests absorbed 0 (£699,000) leaving profits table to Ordinary holders 91m. (£12.29m.). Earnings are slipped from 8.1p to

ccount has been taken of oss since October 31, 1975, t £4m. on foreign currency ngs after deducting profits on conversion into sterling seas assets. It is felt that hange loss should be dealt year end.

previous years, pre-season s and revenue from have been excluded from rim figures.

gures of companies jointly with Xerox, have been by a change in basis of ng for foreign currency ngs. Had the former basis ed profit before tax of es jointly owned would en £36.4m. (£31.4m.), and after tax would have 3m. (£16.2m.)

nterim dividend is help p net per 25p share, but ctors intend to pay the n permitted total of (6.478947p) for the year. profits for 1974-75 came m.

airman, Sir John Davis, Ve are not generating resources at a rate to ensure that we are ition to take full advan- the growth potential, ent, etc., as trade

heless, considerable pro- been made and actions hould lead to further ents in the overall ess of the operation be reflected in the l loss account.

cond half will show a increase in pre-tax e adds.

oup has also made sub- rogress in dealing with matters in the current benefit of which will eflected in profits until t has renewed, replaced tended facilities to the £47m.

increase in trading n £5,824,000 to £8,520,000, says that the Board is improving trend will

adio International has ed the hoped-for break tion but it is expected s this year will be ly less than last year. sults reflect the prob- e film industry coupled ntinuing fall in atten-

ries, suites and clubs ly ahead but audio ow some reduction.

Losses in the hotel division are much in line with a year ago but there is an improved trend of bookings.

Since the end of last year, properties have been sold to the value of £23.5m. with a book value of £19m. The former figure approximates to the valuation placed upon them at the end of the last year.

The surplus over book value has not been taken into account in arriving at the profits. Other transactions are in negotiation, members are told. Sundry sales of assets/investments no longer fitting into overall operations have realised £3m.

The wholly owned subsidiary Rank Precision Industries (Holdings) reports turnover of £17.51m. (£12.72m.) for the 28 weeks. Pre-tax profit came to £19.62m. (£16.19m.) including a share of profits of associates of £16.39m. (£15.15m.) and interest receivable £1.59m. (£1.07m.) and is after interest payable £199,000 (£196,000). Tax takes £10.52m. (£8.13m.).

The outside holders share of profit is £269,000 (£27,000) and profit after tax (excluding extraordinary items) attributable to holders is £8.83m. (£8.03m.) with £8.82m. (£8.02m.) extraordinary holders.

An interim dividend of 51.2 per cent. (50 per cent.) has already been paid. It is anticipated that the second half will show a further increase in pre-tax profits.

The investment holding subsidiary A. Kershaw and Sons reports income of £1.1m. (£1.07m.) after sundry expenses of £2,000 (same). Tax takes £41,000 (£40,000) leaving profit available at £1.06m. (£1.03m.).

The interim dividend is held at 78.75 per cent. comparisons have been adjusted.

The ultimate holding company of Rank Organisation is Rank Foundation.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indicators are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Meldrum Investment Trust, Nelo N.V., New Throgmorton Trust, F. Pratt Engineering, Romney Trust, Scottish Northern Investment Trust.

Finals—Birmingham Mint, Jones Stroud, Levers Optical.

FUTURE DATES

Interims—	
Bullough	July 21
Cardinal Investment Trust	July 22
Davies and Metcalfe	Aug. 5
Rea Bros.	Aug. 10
Saatchi and Saatchi Campton	*July 21
Taylor Woodrow	July 27
Finals—	
Assam Investments	Aug. 5
Cawoods	July 26
Gnome Photographic Products	July 27
Syltone	July 21

* Amended.

EXCESS HOLDINGS

Excess Holdings has changed its name to Excess Insurance Group in order to reflect more clearly the nature of the business carried out by its operating subs.

H. Ingram turns in £448,000

GROUP TURNOVER of knitwear manufacturers, Harold Ingram, decreased from £6.73m. to £6.55m. and pre-tax profit fell slightly from £458,211 to £448,399 in the year to April 30, 1976, after a downturn from £369,395 to £243,072 at half way.

Earnings per 10p share for the year were down from 7.1p to 6.1p gross. A final dividend of 1.39p lifts the total from 2.36p to 2.36p net.

Commenting on the results, Mr. H. Ingram, chairman says the explanation for the disappointing results lies in a severe shortage of yarns which became apparent in the second half of the year following the inability of suppliers to meet the sudden upsurge in demand.

The company was unable to meet its promised delivery dates to many customers and this led to a substantial loss of sales.

However, yarn stocks are good, deliveries are coming in regularly and production is continuing uninterrupted. Present order books are the best for some years and barring other unforeseen difficulties he is confident that the current trading year is off to a sound start.

In addition to the new investment already authorised (£274,300) a unit is being established to manufacture T-shirts, costing an estimated £50,000.

	1975-76 £	1974-75 £
Group turnover*	6,549,921	6,730,427
Depreciation	142,197	158,532
Pre-tax profit	448,399	458,211
Taxation	258,147	237,416
Net profit	190,252	220,795

* Includes exports £894,299 (£709,717).

Mr. and Mrs. H. Ingram are waiving dividend entitlement of £30,398 of the Ordinary holdings (same).

Coghlans downturn

Turnover of iron and steel holding company, Coghlans, decreased marginally from £4.52m to £4.21m. in the year to March 31, 1976, and profit slumped from £451,501 to £29,565, subject to tax of £17,138 (£236,089).

Earnings per share were 6.4p (141.8p) and the dividend is lifted from 10.66p to 11.726p.

The basis of the valuation of stock and work in progress has been changed and the comparison revised to reflect an increase in profit resulting from the application of the new basis of valuation to that year's results, it is stated. The change has enabled the group to place an additional £140,514 to reserves.

M. L. Meyer up £1.16m. at £8.18m.

THE INCREASED profit forecast by timber merchants, Montague L. Meyer, turns out to be £8.18m., pre-tax, for the year to March 31, 1976, compared with £7.02m. for the previous year, after £4.07m., against £4.11m., for the first half.

Turnover for the year expanded from £135m. to £165m., and earnings per 25p Ordinary increased from 7.1p to 9p based on earnings of £4,046,000 (£3,117,000) and on the weighted average number of Ordinary shares in issue after adjustment to reflect the bonus element of the rights issue.

The directors report that the current year has started well and prospects are good.

The final dividend on capital increased by the rights issue is 2.85p, raising the net total from 1.90871p to 3.75p. Treasury permission has been received.

	1975-76 £000	1974-75 £000
Group turnover	165,000	135,000
Trading profit	14,958	12,228
Depreciation	2,018	1,655
Interest payable	3,770	4,118
Share associates losses	895	*191
Profit before tax	8,182	7,019
Taxation	3,875	3,592
Minority interests	251	300
Attributable	4,056	3,127
Preference dividends	10	10
Ordinary	1,023	781

* Profit.

See Lex

Dewhurst drops to £52,000 midway

Makers of electric control equipment Dewhurst & Partner reports a downturn in profits from £101,610 to £52,690 in the half year ended March 28, 1976. Turnover improved from £1.68m. to £1.7m.

The directors state that in some areas order books have shortened but are adequate at present. Price controls results in reduced margins for the first half, thereby restricting investment. Price adjustment in the second half will go some way towards redressing the position for the full year.

After tax £28,000 (£54,000), first half net profit was £24,690 (£47,610), and earnings are shown at 0.34p (0.66p) per 10p share. The interim dividend is again 0.239p net—total for the year ended September 28, 1975, was 0.8p paid from pre-tax profits of £214,000.

West Coast Tanneries

On a turnover up from £1.63m. to £1.93m., profit of West Coast Associated Tanneries increased from £12,843 to £74,013 in the year to March 31, 1976.

Tax takes £41,813 (£9,118), leaving a net profit of £32,405 (£3,725).

REXMORE

Due to a defect in the notice, the annual general meeting of Rexmore will now be held on August 9th at noon, in Liverpool.

MINING NEWS

Demand growing for rhodium

BY KENNETH MARSTON, MINING EDITOR

DEVELOPMENT of the three-way catalytic converter by Sweden's Volvo and the U.S. Engelhard *Minerals and Chemicals for the* U.S. market as a means of reducing nitrogen oxide emissions as *well as other gases from* automobile engines has led to a big jump in demand for rhodium, one *of the lesser known* platinum group metals mined by the South African producers.

Our Johannesburg correspondent reports that the price of rhodium has jumped from $300 to $400 (£225) per troy ounce in the past two weeks. According to Mr. Ken Maxwell, deputy managing director of **Rustenburg Platinum Mines**, the experimental catalyst which uses rhodium and platinum has been accounted a great success by the U.S. Environmental Protection Agency.

Platinum too

However, the catalyst at its present stage of development uses more rhodium than the South African producers can mine without upsetting their mining and *marketing mix. Rustenburg has,* therefore, written to the EPA with an assurance that it can supply rhodium, but saying that the proportion in the converters would have to be about 18 parts platinum to one of rhodium. Mr. Maxwell added, "There is every reason to believe the manufacturers will develop a converter meeting this *specification.*"

Given the apparently superior performance of the rhodium-platinum converter, both in terms of emission control and fuel consumption, further successful development could revive the demand for converters in the U.S. and finally end arguments over their suitability.

On Friday. Rustenburg increased its producer price of platinum by $15 to $180 per troy ounce. At present the company's shares are held by **Union Platinum** (37.29 per cent.), **Potgietersrust** (32.92 per cent.) and **Waterval** (29.79 per cent.). The holding companies are to be merged into Union Platinum; 215 shares in the *latter are to be offered for every* 200 Potgietersrust and 211 Unions for every 200 Waterval. Unions were 148p yesterday.

See also Page 25

MIM PLANS NEW COAL DIVISION

The creation of a new coal division by Australia's major copper-lead-zinc-silver producer **MIM Holdings** *reflects the* company's increasing interest in the mineral says the chairman, Sir James Foots.

Apart from its 60 per cent. holding in **Collinsville Coal** which operates mines in the Bowen Basin of Eastern Queensland, MIM is engaged in coal exploration in the Denman area, New South *Wales and also in Central* Queensland through Brigalow Mines which is owned jointly with **Thiess Holdings**.

America's **Asarco** has a 49 per *cent holding* in MIM and the latter recently announced that it was taking a stake of 13.7 per cent. in Asarco. MIM were 268p yesterday.

'FREDDIES' PAYS LESS

South Africa's **Free State Development and Investment Corporation** is paying a final dividend of 5 cents (3.24p) making a total for the year to last June of 9 cents (5.83p) as against 14 cents for 1974-75.

The dividend reduction reflects the recent fall in the gold price *which will, in turn, cause the* metal's producers to further cut their distributions. In 1974-75 *income from gold mining* accounted for almost 67 per cent. of "Freddies" investment revenue. The results for the year to last June are expected by the end of this month.

The outlook for "Freddies" in the current year continues none too bright with bullion closing at $113.50 per ounce yesterday, its *lowest since end-December, 1973.* The effects on profits will be softened to some extent, however, owing to interests in copper, platinum and diamonds, all of which should show increased returns. "Freddies" were 83p yesterday.

ROUND-UP

Australia's **Woodsreef Mines** says that it has discovered values ranging up to 11.41 per cent. chrysotile asbestos fibre in the diamond drilling programme at its leases two kilometres south of Baryulgil, near Grafton, New South Wales. Further extensive drilling is needed to prove a viable orebody and any mining operation will be separate from the company's existing asbestos mine at Barraba.

* * *

A spokesman for the **Union** *Corporation group's South African* gold-producing **Kinross Mines** says that six Black miners were killed and 14 others injured in tribal fighting which broke out at the mine on Sunday. A quarter of the workforce failed to report for duty yesterday but the situation is now calm and it is hoped that work will return to normal to-day.

Reflecting the recovery in prices and demand for metals, mining has accounted for one-third of the 806m. pesos (£60m.) planned investment applications received by the Philippines *Board of Investment in the first-*half of 1976.

* * *

Manganese ore deposits in the Sierra dos Carajas region in Para state are now estimated at around 30m. tonnes, according to Brazil's Mines and Energy Minister. The National Minerals Research Department has estimated that Brazil's total reserves of high, medium and low quality manganese are around 230m. tonnes.

Winding-up orders

Orders for the compulsory winding-up of 68 companies were made by Mr. Justice Templeman *in the High Court. They were:*

K. and H. Rustproofing, Temperley Newton, Polydesigns, Amblon Holdings, Fairfax Jersey Group, Apex Overseas, J. P. Buckley (Builder and Decorator), King Stove Enamelling (London).

Landen (Engineers), W. Frist and Son (Woodworkers), Withers Travel, Cliff Car Company *(Manchester), Plateville, Culver*house Freights (U.K.), Boundary Building and Civil Engineering Company, Zandron.

Pim Continental Projects, Tom Dickinson (Transport), Crown Pak Meat Supplies, Elpeys (Imports), Jongold, Intereuro Trading Company, Bromfield Worrall.

Welddeep Fabrications, Fore*land Marine (Folkestone)*, Rendcrest Caterers, Berkhamsted Construction, J.A.C. Construction, Silver Trowels, M. J. Lea (Heating Services), Morbick.

Bladnoch Properties, W. Driscoll and Son, T. J. McMahon and Co., *Autolaun (London). Richmond* House Services (ISCA), Smith Contract Carpeting and Furnishing Company, Dibling and King, Magyar Concrete Services.

Portland Lodge Developments, Sugrue and O'Shea, London and Manchester Greeting Card Company, Chaseside Displays, B. B. Transport (Wigan), A. and B. Entertainments, T. Kafizas, P. M. *Lang and Co.*

Hagley Clothing, Tallismoor, David Jefferson Electronics, Russcliffe Rental Services, P. and L. Installations (Domestic), Bildthorpe, F. C. Ladkin.

Mallergreen, Meldroy, James Hutton (Racing), Countrycraft Developments (Banbury), Nomad Travel Club, Crompton Sealed *Roofs Company, Alexander* Matthews.

V. and L. (Painting Contractors), Trescott Homes (North Wales), T. and S. Construction Company, Atlas Designs, M. McCarthy (Plant Hire and Haulage), Spiral Contractors and Avroglow.

Stormgard improves

Pre-tax profit of investment and holding company, Stormgard, increased from £4,166 to £51,617 in 1975, after £40,088 (£7,308) for the first half.

The position during the first half of the current year has been satisfactory to date, but in view of the current uncertain situation of the Stock Exchange, the directors would not wish to make a forecast for the year.

The year's profit is struck after directors' and audit fees of £1,368 (£1,339). Tax absorbs £27,201 (£1,736).

BIDS AND DEALS

DRG talks with Royal Sovereign

Royal Sovereign, manufacturers and distributors of stationery and office products, is *in bid talks with the U.K.* stationery giant Dickinson Robinson Group. The offer, details of *which should be announced this* morning, is thought to have won the approval of the Royal *Sovereign Board, which holds* 1.5m. out of the total 4.3m. shares in issue.

News of the talks sent the shares of Royal Sovereign 16p higher to 57p on the stock market yesterday which places a £2¼m. price tag on the company.

Pre tax profits at R.S. in 1975 fell from £686,000 to £477,000 but chairman Mr. Ralph Patterson, has forecast a return to growth in the coming year.

PAULS & WHITES VENTURE

Pauls & Whites, the animal feeds, brewing materials and essences and flavours group, has entered into a joint venture *with* the Nigerian Livestock and Meat Authority to erect a plant and *manufacture animal feeds in* Nigeria.

Pauls & Whites Foods has taken a 25 per cent. shareholding in a new company, National Animal Feed Company, established under the terms of the agreement. *NAFCO is putting up a £1¼m. mill* on a four-acre site 100 miles north of Lagos at Ibadan.

Pauls & Whites will invest approximately £250,000 in the new venture and the Nigerian Government will provide the rest of the capital.

OPPOSITION TO ANGLO-INDONESIAN

Mr. David Pinsent, a director of **Central Province Ceylon Tea** *Holdings and chairman of* Bandanga Holdings, which owns over 20 per cent. of Central Province, said yesterday that the offer by **Anglo-Indonesian Plantations** for Central Province is "inadequate both in respect of capital value and income."

Mr. Pinsent voted against the Board of Central Province's recommendation to accept the offer last week and now claims to have the support of other shareholders, which together with Bandanga's holding, means that 26 per cent. of the votes are against the bid terms.

Mr. Pinsent says that his stance is based on "present information." *The issue clearly revolves* on how much an apparent net asset value of 18p is an accurate reflection of compensation payments due over the next five years from Sri Lanka and whether dividends due of £245,000 are in fact remittable—facts which auditors Mann Judd were unable to determine in last month's accounts.

BP acquires interest in Dutch sector

BP's Dutch subsidiary, British Petroleum Exploratie Maatschappi Nederland BV, has acquired the shares of **Tenneco Netherlands** Inc., owners of exploration in*terests in 12 blocks in the Dutch* sector of the North Sea.

Tenneco Netherlands is a wholly-owned subsidiary *of* Tenneco International. The deal is effective from June 30, 1976.

BP said last night that the deal "probably makes BP one of the biggest operators in the Dutch sector."

"*Neither side is prepared to* reveal the price."

LADBROKE AND PERRY BARR

In a letter to shareholders, attached to **Ladbroke's** formal offer document for **Perry Barr** Stadium, the chairman of Perry *Barr, Mr. K. R. Frazier (who is* accepting the offer on behalf of his family and fellow directors in respect of 12½ per cent. of the Ordinary and 15.3 per cent. of the Deferred) explains that the disadvantages of Perry Barr as an investment outweighs the advantages.

The fact that Perry Barr is un*quoted and the dividends are un*realistic in relation to the offered value weigh more with the Board than the attractions of Perry Barr's stable business and strong balance sheet.

For the year to February 29, 1976, pre-tax profits at Perry Barr were £110,450 (£115,335) and net assets were £248,007.

205p cash for Elbar

Agreement has been reached for the acquisition by **Tanganyika Holdings (Investments)**, a wholly-owned subsidiary of Tanganyika Concessions, of the 53.3 per cent. *of the capital of* **Elbar Industrial** not already owned by TC. It was announced last week that an approach had been made.

Shareholders in Elbar, a widely-diversified group with interests in motor vehicles, agricultural machinery, light engineering and retail shops, are being offered 205p cash per share. The acquisition *will be effected by a Scheme of* Arrangement involving the cancellation of 978,746 Ordinary shares of Elbar and will be subject to the approval of holders and subsequent Court sanction.

The bid places a value on Elbar of £3.77m., and represents an outlay on the part of Tanganyika Holdings (Investments) of just over £2m. In its last financial year Elbar, which also holds 90,000 Ordinary 50p shares in Tanganyika Concessions, made profits before tax and extraordinary items of £306,000.

The Board of Elbar, having considered the offer along with financial advisers Schroder Wagg, are recommending shareholders to vote in favour of the scheme, full details of which will be sent to shareholders.

A fellow subsidiary of Henry Ansbacher intends to accept in *respect of its holding of 7.5 per* cent. of the preference shares.

METROPOLE INDS.

The formal documents relating *to the offer by* **International Combustion Holdings**, fresh from its abortive tussle with Thermal Syndicate, for **Metropole Industries** has been sent to shareholders.

The Board of Metropole and its *advisors, Henry Ansbacher and* Co., consider the offer to be fair and reasonable and recommend acceptance.

Mr. J. K. Laughton, who is a director of Newman Industries which owns 29.95 per cent. of Metropole, did not participate in the decision to make the recommendation. A dissident director, Mr. B. Fulwell voted against the decision to make the recommendation.

Other than Mr. Fulwell, the directors and their families intend to accept in respect of 4 per cent. of the Preference shares and 0.8 *per cent. of the Ordinary capital.*

Firm 'no' from FC Constructn.

As expected, the Board of **FC Construction (Holdings)** yesterday rejected the 70p-a-share cash take-over offer from **Norwest Holst**, the civil engineering group, as "totally inadequate," after consulting its advisers, Charterhouse Japhet.

This reaction had seemed inevitable after indications last week that a possible counter-bidder was in the offing. Charterhouse Japhet remarked yesterday that this alternative suitor, as yet unnamed, was "still keenly looking at the situation."

FC *shares closed 3½p up at* 81½p, reflecting market hopes of higher terms. However, opposition to the existing offer is up against the fact that the bid contest began with Norwest holding 24.2 per cent. of FC's shares, while two Norwest directors, Mr. Raymond Slater and Mr. John Lilley, have another 10.35 per cent. Norwest *shares were unaltered at 51p.*

FC is to give reasons for its rejection as soon as possible and meanwhile advises holders to take no action.

TKM PURCHASE

Price and Pierce, a wholly-owned subsidiary of **Tozer Kemsley and Millbourn (Holdings)** has agreed subject to fulfilment of certain preconditions and subject to contract to acquire *the capital of Wings for £117,000.*

Wings is a U.K.-based inclusive hotel tour operator. Accumulated *profits to October 31, 1976 are to* be retained by the vendor and are expected to be £696,000. Pre-tax profit of Wings for the 1974-75 adjusted to basis applicable after acquisition were £343,000. On same basis profit for 1975-76 is estimated at £100,000. The association of Wings with Owners' Services, the villa and apartment holiday company wholly owned by Price and Pierce, is expected to provide improved growth and *profitability for both companies.*

Whitbread well equipped and confident

A HAZARDOUS year is faced by Whitbread & Co. but chairman Mr. F. O. A. G. Bennett says that he is confident the company is well equipped to give a good account of itself, however difficult the future.

Beer sales have recovered from a poor period earlier in the year but wines and spirits continue in the short term to be a dull market, he reports.

As already reported, from turnover of £441.57m. (£389.79m.) pre-tax profit for the year to February 28, 1976 was £30.58m. (£21.46m.)—*excluding Long John* International.

The profits, reversing the downward trend of *1974/75*, were achieved not only by increased beer sales, helped by the brilliant summer, but by *increased perfor*mance and improved efficiency in almost every sphere of the *business.*

Over the past two years profits have not kept pace with inflation *and have certainly been insuffi*cient to finance the company's investment requirements for the *future. However, the directors* have made an arrangement for an eight-year loan of £20m. *through a consortium of London* banks, and this will fund expansion plans for some years ahead. Year ended commitments were £8.21m. (£8.68m.) and authorised but not committed £9.17m. (£7.64m.).

During the period since its acquisition Long John International performed well under diffi*cult conditions for the whisky* industry, and achieved profit forecasts.

The year under review was one in which capital expenditure had to be strictly limited to within the company's cash flow. This policy resulted in a cash run-up of £17m.

The market share continued to *increase steadily during the 12* months. It was not an easy year for wines and spirits but branded wines continued to do well.

Trade in Belgium continued to recover and a major rationalisation of production *facilities* was carried out during the year.

Meeting Chiswell Street, EC on September 7 at noon.

● comment

The first phase of **Whitbread's** *new Magor brewery is expected* to be in production by 1979 at a cost of £30m. gross. After grants and the like Whitbread will only have to find about half of this figure so the current crop of rights issue rumours look out of line: Whitbread's spending on fixed assets fell from £32m. to £10m. net last year while deprecia*tion and retentions totalled* £16.2m. Net working capital more than doubled to £35.1m. but this was due entirely to the Long John acquisition which is expected to do a lot better in profits terms this year. At 75p the shares yield 6.8 per cent., twice covered; and net borrowings as a proportion of net assets is still just over half.

Chairman's statement Page 11

Racal sees record year

IN HIS annual statement, the chairman of **Racal Electronics**, Mr. E. T. Harrison, says he is confident that the group will have another record year, the 22nd in succession.

Overseas demand for products continues at a record level, the competitivenes of selling prices is being maintained, and the general stability of labour in this country looks likely to continue *for some time. The product range* has never been wider, and the team has never been stronger, he *tells members.*

As reported on June 25 profit before taxation for the year ended March 31, 1976 amounted to £19,646,000, an increase of 105 per cent., and turnover, including associates, was £79.97m., an increase of 48 per cent.

A geographical analysis of turnover (in percentages) shows: *Africa 35, America 4,* Asia 14, Australia 3, and Europe 44. Exports including those to subsidiaries totalled £48.77m.

The Balance Sheet shows cash at bank and short term investments totalling £4.6m. compared with bank borrowings of *£166,000* a year ago. This improvement was achieved after financing the sub*stantial increase of some 50 per* cent. in the volume of business.

The directors say the group has adequate working capital for future requirements.

The accounts show an increase in working capital of £11.69m. (£4.44m.) at the year-end.

New London Properties

For the year to March 25, 1976, **New London Properties** reports an increase in pre-tax revenue *from £572,000 to £617,000. At* halfway a rise from £280,000 to £325,000 was announced.

Yearly earnings per 25p share have risen from 7.39p to 7.54p and the dividend is 5.25p net against last year's total of 4.7887p.

Rental income amounted to £1.19m. (£1m.) and other income to £0.38m. (£0.42m.). After tax of *£307,000 (£268,000) the net* balance comes through at £310,000 (£304,000).

The directors have incorporated in the accounts professional valuations of all property as at September 30, 1975. Fixed assets at book value at March 25, 1976 were £11.72m. (£8.71m.), current assets were £2.4m. (£2.58m.) and current *liabilities* and provisions were £2.05m. (£2.4m.).

The company is a subsidiary of Pearl Assurance.

Outlook at Wilkinson Match

IN HIS annual statement, chairman Mr. D. Randolph say that **Wilkinson Match** has been determined to consolidate and concentrate its business and this has now, to a large extent been completed. *Nevertheless, it is* intended to become more broadly based in the chosen fields of *operation, he tells members.*

Hitherto, restructuring has been mainly directed at disposal of activities not conforming to the future structure of the group. In the past year there have been further disposals of non-conforming activities, the chief of which was the non-match business of the Eddy Match *Company.*

Management has also turned its attention to the restructuring of the continuing actiivtes. The consumer product activities have been reorganised on a regional basis. This is settling down well and "we expect substantial benefits from it."

As reported on July 14, turnover expanded from £143.16m. to £162.03m. in the year to March 31, 1976, and pre-tax profits rose from £7.77m. to £9.51m.

The profit increase came from a recovery in profitability in the match business, combined with a *continued advance in the safety* and protection division. In addition, the year benefited from the prior disposal of the wood chipboard business. As expected, however, the packaging business saw its operating profits roughly halved, following the record profits achieved in 1974-75.

The accounts disclose that Mr. *Geoffrey Rae Smith, who left the* Board on March 12, has received, as a result, an additional contribution from the company of £70,000 to his pension scheme and, together with another director, Mr. T. H. Lyth, has shared in com*pensation payments amounting to* £25,000.

Chairman's statement Page 16

Chubb to maintain progress

THE DIRECTORS of the group, Chubb and Son, that the progress achieved year to March 31, 1976, *maintained* this year, an future is faced with reas confidence, says the cha Lord Hayter.

As reported on June 17, turnover increased from £1 to £133.36m. and pre-tax advanced from £9.08m £11.77m. in the past year. value of goods exported fr U.K., including goods subsidiaries, was (£13.1m.).

An analysis of sales and (£000s omitted) shows *safes, strongrooms, etc.* (£54,676) and £7,331 (£5,72 detection and protection (£25,368) and £2,244 burglar alarms, etc., (£15,810) and £1,663 *other activities* £13,216 and £328 (£442).

Export sales from the U *sales of overseas* accounted for 60 per cent. turnover and just over cent. of the profit contr. U.K. sales went up by 16 p and profits by 11.5 per cen *seas sales, including expor* the U.K., increased by 28 p and profits by 43 per cen

Performance of nearly companies against budg most commendable. trading conditions in certa countries affected perfo against budget, but the d were particularly please trading in Italy. Overseas were inflated as a result fall in sterling.

Stocks were well co showing a rise of only cent., and debtors were 12 per cent. The percenta in contrast with the 23 p increase in sales. capital expanded by (£1.86m.).

Capital expenditure £7m., compared with the d tion provision of £3.8m. commitments were (£1.37m.).

Meeting, Abercorn Roo August 11 at noon.

Chairman's statement P

BROMSGROVE CASTING

Bromsgrove Casting *Machining announces* th was an error in the figure stated in the final announcement, rep July 16.

The figure of £1,615,878 include the Droitwich and the combined turn Bromsgrove and should have read £1,660

APPOINTMENTS

Senior post on Vickers main Board

Mr. J. R. Hendin has been appointed assistant managing director of VICKERS in succession *to Sir Leonard Redshaw who has* relinquished executive duties on reaching the normal age of retirement. Mr. Hendin is chairman of Vickers Engineering Group, one of the company's four main operating groups in the U.K., and will continue to hold that appointment. He joined the company in 1934 and has been a member of the main Vickers Board since 1972.

*

Mr. A. A. Attwood has been appointed chairman of WETTERN (DISTRIBUTION) and Mr. G. R. Swift has become sales director. Mr. Attwood was previously managing director of Mono Concrete, a member of the Wettern Group.

*

Mr. Robert U. Link III has been elected vice-president in the international division of MARYLAND NATIONAL BANK. He has been in charge of the bank's London Representative Office since it was established in 1974.

*

Mr. Roger A. Pinnington, managing director of CAM *GEARS GROUP in the U.K., has* been appointed president of the Boards of TRW Italia and Cam Gears Italia in addition to his responsibilities in this country.

*

The Duke of Kent is to be the next Chancellor of the UNIVERSITY OF SURREY. He will succeed Lord Robens of Woldingham, who retires from *that office on January 13, 1977.*

*

Mr. J. B. Mander has been appointed chief passenger manager for the London Midland Region of BRITISH RAIL.

*

FEDERATED CHEMICAL HOLDINGS has made the following appointments: K & K-Greeff Chemical Group—Mr. Ronald A. Pargeter chief executive and Mr. A. E. Hudson a director; K & K-Greeff Industrial Chemicals—Mr. Hudson managing director and Mr. J. Roberts a director; and K & K-Greeff Fine Chemicals—Mr. Pargeter a director.

*

ALLIANCE BUILDING SOCIETY has formed a Scottish Board to advise the main Board on matters affecting the Society in Scotland. Mr. L. E. de Feu, manager for Scotland continues there as chief executive. Members of the new Board are Lord Campbell of Croy (chairman), Mr. R. Scott, Mr. W. W. Jamieson, and Mr. J. P. Grant.

*

Mr. Stuart Cameron has been appointed managing director TOBACCO OF GALLAHER.

*

CENTRAL TRUSTEE SAVINGS BANK has been reconstituted as follows: Mr. P. F. Keens, chairman, Mr. D. E. Johns, deputy chairman, Sir Athelstan Caröe and *Mr. J. Thomson* remain on the Board. The new directors are Mr. T. B. Allan, Mr. T. Bryans, Mr. R. A. Catt, Mr. R. D. Lea, Mr. A. Owen and Mr. I de L. Radice.

Central Trustee Savings Bank was formed in 1973 and is a wholly owned subsidiary of the Trustee Savings Bank Central Board. It acts as banking, clearing and investment agent for the Trustee Savings Banks and is a member of the Bankers' Clearing House in London.

*

Mr. Roger Heath has been appointed an executive director *of MARINE NAVIGATION COM*PANY, the London agent of the World-Wide Shipping Group.

*

Mr. Roger M. Dobson has been appointed a director and general manager to the Board of E. T. OAKES. He joined the company ten years ago and was made *general manager last year.*

*

Mr. Kenneth R. Kemp has *become chairman of SMITH AND* NEPHEW ASSOCIATED COMPANIES in place of Mr. Stephen N. Steen who has *relinquished* that position and has been made president.

*

Mr. R. B. Mallory has retired from the Board of ROWLINSON CONSTRUCTIONS GROUP.

*

Mr. R. Bolton has been appointed to the main Board of BARRATT DEVELOPMENTS. Mr. *Bolton has been with the Barratt* Group for ten years and is managing director of Barratt *Developments (Leeds).*

*

Mr. Eric Howarth has been *appointed technical director of* the NO FUSE CIRCUIT BREAKER COMPANY.

*

Mr. J. M. Aubrey has been elected president of the CHARTERED INSTITUTE OF PATENT AGENTS on the retirement of Mr. N. J. Flower. Mr. A. T. Ranson has been appointed vice-president.

*

Sir Marcus Worsley has been nominated to be a CHURCH COMMISSIONER for a term of four years.

*

Mr. William Mure has resigned as a director of MANGANESE BRONZE HOLDINGS. Mr. G. S. Stone and Mr. W. N. Hillier have been appointed directors.

*

Sir Tom Hood is to relinquish the chairmanship of the NATIONAL EMPLOYERS' MUTUAL GENERAL INSURANCE ASSOCIATION at the end of this year and will be succeeded by Mr. M. H. R. King.

هكذا صدر الأصل

Montedison turnover up 5% but losses continue

ANTHONY ROBINSON

R prices and the recovery strial and chemical acti- Italy and internationally own through in a 35 per crease in the consoli- roup turnover of Monte- L2,267bn. (£1.5bn.) over half of 1976. But mas- ses from its fertiliser, nd supermarket opera- reflected in continuing losses.

total parent company son SPA turnover rose ent. to L 1,273bn. Higher tilisation—reflected in a cent. rise in inorganic turnover, a 47 per cent. lasticisers, a 37 per cent. organic colourants and together with a 30 per e in synthetic fibres— ed to contain the strong in raw material and sts. Ominously however output was a further nt. down compared with half of 1975.

ntinuing higher level of m fibres, fertiliser and da supermarket chain ular is being aggravated gh cost of bank credit ed to further intensive by the Montedison ent to seek government assistance and some capital increase which serve the theoretically mixed private-public status of the company.

Giulio Andreotti

Indeed the financing problems and future structure of the vital chemical sector, which has absorbed vast amounts of public capital over the last 20 years, is one of the principal structural economic problems which has to be faced by the new government once formed. Contacts are currently taking place between Prime Minister-designate Giulio Andreotti and his staff and the trade unions and other political parties, including the Communist Party.

The latter is demanding an end to what it terms the "myth" of private enterprise in the chemical sector and favours the creation of a new "ente chimico" or national chemical corporation which would include not only the chemical sector of the state controlled ENI group (which is also the major single shareholder in Montedison) but also Montedison itself and the other formally private Societa Italiana Resine (SIR) group, all of which have benefited from massive injections of state funds through the various state credit institutes like IMI and ICIPU.

Sig. Andreotti is particularly sensitive to the problems of the chemical industry and has close relations with the SIR group led by Sig. Nino Rovelli. While Prime Minister of the centre-right Government in 1972 he was deeply involved in the complicated manouvres for funds, planning permission and industry leadership between ENI, Montedison and SIR which threatened at one stage to cause his downfall. Plus ça change.

Goodrich to approve Dutch plan

MICHAEL VAN OS

AMSTERDAM, July 19.

CH Economic Ministry he Hague to-day that l of directors of the lrich company is ex- approve "any day proposals for the res- Dutch state aid of the pany's tyres and gen- er products manufac- erations in Holland rly 5,000 people are yed.

ecome clear that the t proposals will in- rastic reorganisation pany called Goodrich- formerly the Dutch company) and a loss hundred jobs. But it at the emphasis for ductions will be more tablishments in the Holland, notably at rather than in the ployment areas such and the south. Over- y have to be reduced mum of 20 per cent." d by the Ministry.

e proposals now be- ed at the Goodrich 's in Ohio, the Good- olding in its fully- bsidiary Goodrich- l be reduced to 49 etails of its financial compensation are not disclosed. It has only been stated that the Dutch company will be receiving state aid in the form of loans, etc. The Dutch government will also obtain a 49 per cent. stake in the Goodrich-Europe share capital—which was put at over Fls.18m. at end 1974—with the remaining 2 per cent. being deposited in a special foundation. The foundation's chairman will be appointed by the state—his identity is not yet revealed—and of the other two directors one will be appointed by Goodrich itself; the other should represent employees.

The Economics Ministry spokesman added that the new-style Goodrich supervisory board, not responsible for the day-to-day management, will comprise five members. Two will be appointed each by the Government and by Goodrich and the chairman will be the same as the chairman of the special foundation. If an interested third party is found to share in the venture—DSM appears to be ruled out certainly in the near future—it is agreed that both the state and Goodrich will reduce their stakes by the same extent. The ministerial spokesman said the Government would certainly not want a major interest in the company, as Goodrich had first urged, or a permanent large minority interest, adding that its large new participation reflected the fact that "there was no concrete evidence of an interested third party." In the proposed set-up the management of the Dutch activities would be predominantly Dutch. But the ministry was not prepared to allow the U.S. company to withdraw completely for its Dutch company and to relinquish all financial responsibility.

The Dutch trade unions, which will announce their standpoint concerning the Government proposal at a press conference in Utrecht to-night, has initially welcomed the plans, particularly the statement that the company will be returned to Dutch management. But they also expressed great surprise at the envisaged large staff reduction needed, making the necessary reorganisation not less painful for the staff than the original plans of Goodrich which they had turned down.

French fertilisers move

ROBERT CORNWELL

PARIS, July 19.

GANISATION of the ilisers industry has an important step a deal between the est company here, d Agrico Chemical This deal, for the paves the way to deliveries of phos- the U.S. terms of the deal, has to be finally he Finance Ministry Z will set up a sub- be U.S. to purchase Agrico's phosphate articularly those in the U.S. company 40 per cent. holding itself—at present by the French Pierrefitte (66.5 per cent.), and by the CFP-Total Oil group for the remaining 33.5 per cent.—as well as a similar stake in the new American venture.

The key aspect of the arrangements is that COFAZ will thus secure itself access to phosphates from the U.S. Hitherto COFAZ has had to buy the 1m. tons a year of fertiliser it needs at $38 per ton from Morocco and Senegal, but the contract price for purchases from Agrico is only $15 per ton.

Thus for the first time an American company will have a firm foothold in the French market, where COFAZ, with sales of Frs.1.22bn. (£140m.) annually, is the fourth largest group with 17 per cent. of total domestic sales.

Its rivals have recently been involved in their own deals: the state-controlled EMC (Entreprise Miniere et Chimique) has entered into an association with the Gardinier company, while its counterpart CDF-Chimie has signed a co-operation agreement with Ste Generale des Engrais. They will nonetheless be irritated that the plum of a U.S. deal has escaped them.

Agrico is a subsidiary of Williams Companies, Oklahama, which was involved in another European fertilizers deal earlier this year. In March, it took a 50 per cent. stake in the loss-making Goulding Chemicals from Fitzwilton, the Dublin-based industrial group, for a £5m. consideration.

JAPANESE RETAILING

Forecasts from Jusco

BY MARGARET HUGHES

spending in Japan slow. No real pick- ted until the late possibly not until hough it is then quite dramatic. This Mr. Takuya Okada, JUSCO superstores, th largest retail was addressing an eting in London

reason Mr. Okada, this to be "another for retailers," is relatively modest in JUSCO's per- the current year to 7. Last year the orted a 22.2 per se in sales to 0m.) and a rather ic 129.8 per cent. ncome to Y3.25bn. es he attributes to ed from the open- w stores together d profitability of onal subsidiaries, onsible for the day ions of the various the group.

ar Mr. Okada says to make a certain he anticipates a round 25 per cent. an unconsolidated n increase in net ut 27 per cent. to . On a consolidated cts a 33 per cent. 334bn. and a profit 60 per cent. to vever, the con- res will reflect the r next month with edium-sized retail Chiba.

with Ohgiya, which n the Tokyo metro- will bring JUSCO's rations into the Tokyo region for the first time. Having now moved into this region which has the largest consumer population in Japan, JUSCO has decided to establish a Tokyo head office in addition to the present one at Osaka.

Mergers are very much the background to JUSCO's growth. To date it has undertaken mergers with 21 companies from which it has established seven regional subsidiaries controlling an aggregate of 58 stores. Including these JUSCO now has a total of 161 stores throughout Japan which it operates through a "federated management system" whereby the day-to-day running of the stores is controlled by the regional subsidiaries.

Alongside the planned merger with Ohgiya, the group has negotiated a joint venture with Izumiya, one of Japan's major retail chains, with a view to joint utilisation of distribution centres and the development of common-brand merchandise.

In the current year it is planning total investments of Y18.5bn. against Y15.50bn. last year. Of the total Y4.2bn. will be financed through depreciation, Y2.3bn. from retained earnings, Y7bn. through a public shares offering undertaken earlier this month and Y2bn. through a straight bond issue on the domestic market at the end of February.

This leaves Y3bn. outstanding. Mr. Okada said that no decision had been made yet on how this would be raised, though in his annual statement in February he indicated that the company was planning to issue Y2bn. of corporate bonds before the end of the current year. So far the company has not arranged any financing outside Japan but given Mr. Okada's current visit it may well be that JUSCO will follow another Japanese stores group—Marui—to the Euromarket in the not too distant future. In May Marui floated a $25m. convertible Eurobond issue.

However JUSCO is rather less well-known than Marui outside Japan. Although there was a sharp increase in the number of foreign shareholders of JUSCO last year, this still amounts to only 2.1 per cent. against 20 per cent. in the case of Marui.

Sandoz first half sales rise

By David Egli

BASLE, July 19

SALES of the Sandoz group increased by 7.7 per cent. in the first half of this year compared with the corresponding period in 1975, showing a marked recovery in almost all major markets.

Dyestuffs sales rose by some 16 per cent. to Sw.Frs.664.4m. (572.7m.), while food sales by the group rose by 10.9 per cent. to Sw.Frs.204.5m. (184.4m.). The main sector of activity, pharmaceuticals, also progressed satisfactorily (plus 5 per cent.) up to Sw.Frs.1,070.1m. (1,018.7m.), but agrochemical products were down by 11 per cent. to Sw.Frs.128.9m. (144.8m.). The company said this was due to adverse conditions in a number of countries.

A company spokesman described the growth as satisfactory in view of the continued weakening of the Swiss Franc exchange rates of leading currencies during the first half of the year. But it was noted that profits had failed to increase in line with sales, a result once again of the continued overvaluation of the Swiss Franc.

Du Pont surge

DU PONT Company second quarter earnings per share were $2.60 (45 cents), Reuter reports from Wilmington.

Philip Morris to spend more

PHILIP MORRIS said it has raised its estimate for 1976 capital spending to about $276m. because of increasing demand for cigarette and beer products, reports Reuter from New York.

It previously said capital outlays would total nearly $1,000m. during the five years to 1979. In 1975, capital spending totalled $244.5m.

Second quarter net earnings per share $1.13 (92 cents); net profit $67,204m. ($53,637m.); sales $1.069bn. ($917.2m.). Six month figures are: Earnings per share $2.09 ($1.69); net profit $124.1m. ($98,329m); sales $2.012bn. ($1,717.2m.). The company reversed a previous plan to restate 1975 net for change in accounting for foreign currency translation as not practicable. Cumulative effect of change on prior years is included in 1976 results. Had the company restated 1975, quarter net would have increased by $4.5m. or 8 cents a share and half would have decreased by $600,000 or 1 cent a share.

Growth at GTE

GENERAL TELEPHONE and Electronics Corporation second quarter earings per share were 77 cents (66 cents). Net income was $100.0m. ($83.5m.) from revenues of $1.64bn. ($1.45bn.). For the first six months, the figures were: $1.41 ($1.25); $180.9m. ($157.7m.); and $3.2bn. ($2.82bn.) respectively, Reuter reports from New York.

Polish loan

The State-owned Polish Steamship Company has borrowed $20m. for five years from a group of Euromarket banks headed by First Chicago Ltd. The proceeds of the loan are being used to purchase two 34,000-ton cargo vessels.

The loan is unusual in two ways. First, this is a rare, if not unique example of an East European company arranging a syndicated medium-term Euromarket loan direct with banks. Most Euromarket medium term loans for Eastern European borrowers are to banks.

Second, the lending banks have been given a first mortgage on the ships for the period of the loan. It is reported that the ships themselves were built by the Japanese Mitsubishi Heavy Industries for the Norwegian companies Sameiet Varamis and Sameiet Vigan before being onsold to the Polish Steamship Company.

Berliet turnover

Provisional net turnover of Automobiles M. Berliet for first half 1976 was Fr.2.172bn. (Fr.1.798bn.). The company, part of Renault Group, said investments in the first half were Fr.46.3m. (Fr.49.7m.) out of a total 1976 investment budget of Fr.177.3m. (Fr.140m.).

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
[illegible] 9pc 1988	102½	103½
Aquitaine 10pc 1985	104½	105½
Bowater 9½pc 1986	99½	100½
Caisse Nat. Auto. 9pc 1986	98½	99½
CNE 9¼pc 1985	100¾	101½
ECS 9½pc 1988	101	101½
EIB 9½pc 1985	102	103½
Erap 9¾pc 1985	102½	103½
Esso 8pc 1986 Nov.	100¾	101½
Eurofima 9½pc 1988	100¾	101
Granges 9½pc 1985	101½	102¼
ISE Canada 9½pc 1986	103	103½
Massey Ferguson 9½pc 1991	102	102½
Michelin 9½pc 1988	101½	102
Modo 9½pc 1983	102	102½
Natl. Westminster 9pc 1986	99	99½
Norpipe 9½pc 1986	101½	102½
Norsk Hydro 9½pc 1986	102½	103
Oslo 9pc 1988	100½	101½
Pacific Light 8pc 1986	94½	95½
Prov. Quebec 9pc 1984	101½	102
Sandvik 9½pc 1986	100½	101
Scanraff 8½pc 1988	100	100½
SPE 9pc 1983	101	101½
Shell 8pc 1986	100	100½
Stand. Oil (Ind.) 8½pc 1988	103½	104
Svenska Handels 9½pc 1986	101½	102½
Volvo 9½pc 1985	102½	103½
NOTES		
Bank of Tokyo 8½pc 1981	100½	101½
Barclays 9½pc 1982	102½	103
British Gas 9pc 1981	100½	101½
Charbonnages Fr. 8½pc '81	99½	100½
Denmark Mrt. Bk. 9pc 1983	101	101½
ECS 8½pc 1981	101½	102
EEC 8½pc 1982	97½	97½
Electricity Cnl. 8½pc 1981	99½	100½
Montreal Urban 8½pc 1981	97½	98
Nacnl. Financiera 10pc '81	101½	102½
New Brunswick El. 9pc '83	101	101½
Seagram 9pc 1983	103½	104½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	81½	83½
Beatrice Foods 4¼pc 1992	95	97
Beatrice Foods 4½pc 1992	95	97
Borden 5pc 1992	96½	98½
Broadway Hale 4½pc 1987	76	78
Canon Camera 7½pc 1989	130	132
Carnation 4pc 1987	79	81
Chevron 5pc 1988	117	119
Dart 4½pc 1987	79	81
Eastman Kodak 4½pc 1988	116½	118½
Economic Labs. 4½pc 1987	73½	75½
Fed. Dept. Stores 4½pc '85	115	117
Firestone 5pc 1988	88	90
Ford 6pc 1988	96	98
Ford 5pc 1988	86	88
General Electric 4¼pc 1987	94	96
Gillette 4¾pc 1987	73	75
Gould 5pc 1987	102	104
Gulf and Western 5pc 1988	100	102
Harris 5pc 1992	89	91
Honeywell 6pc 1986	82½	84½
ITT 4½pc 1987	72½	74½
Komatsu 7½pc 1990	105	106½
J. Ray McDermott 4¾pc '87	145	147
Mitsubishi Elec. 7½pc 1991	105	106½
Mitsui 7½pc 1990	102½	104
J. P. Morgan 4½pc 1987	115	117
Nabisco 5½pc 1988	92	94
Owens Illinois 4½pc 1987	102	104
J. C. Penney 4½pc 1987	78	80
Pioneer 6½pc 1989	230	235
Raymond 8½pc 1993	96½	98½
Revlon 4½pc 1987	110	112
Reynolds Metals 5pc 1988	89	91
Sperry Rand 4½pc 1987	102	104
Squibb 4½pc 1987	77	79
Texaco 4½pc 1988	72	74
Toshiba 6½pc 1990	106½	108
Union Carbide 4½pc 1982	115	117
Warner Lambert 4½pc 1987	88	88
Warner Lambert 4½pc 1988	80½	82½
Xerox 5pc 1988	75	77

Source: Kidder, Peabody Securities.

OLD MUTUAL

Test for equity rights

BY RICHARD ROLFE

JOHANNESBURG, July 19.

SOUTH AFRICA'S biggest investment institution, the Old Mutual, has become involved in a long-drawn-out legal dispute over the affairs of the investment holding company Anglo Transvaal Collieries, in which the Old Mutual holds 10.8 per cent. of the Ordinary shares. Following two conflicting judgments so far, the first in the Witwatersrand divisional court, the second in the Transvaal provincial division of the Supreme Court, the Old Mutual believes that if its point of view is not finally upheld at the Appeal Court in Bloemfontein, the rights of Ordinary shareholders could be prejudiced in other companies where preference shares occur as well. Awaiting the outcome with interest will also be some major U.K. investment groups, such as M and G, which hold AT Collieries Ordinary shares.

The dispute first became public last August when the fast-expanding group Witbank Collieries announced proposals for an R9m. convertible note issue. AT Collieries was affected by the proposals because its only asset of any consequence is a holding of 1m. Witbank shares, or 17.8 per cent. of the equity, flowing from an earlier deal when it sold its operating coal mines to Witbank in return for shares. Lacking other financial resources, AT Collieries announced plans to renounce the Witbank notes in favour of its own shareholders in the form of rights.

But the capital structure of AT Collieries consists of 1.6m. ordinary and 1.0m. 6 per cent. preference shares. In any normal company, the preference shares would have no entitlement to rights such as those now in question. The AT Collieries memorandum of association records that the preference Shareholders have a right to a fixed cumulative dividend of 6 per cent. in priority to the ordinaries, but are otherwise not entitled to participate in the "profits" of the company; however, on liquidation they are entitled to the return of their capital, which is 50 cents per share and to any arrears of dividend, again in priority to the ordinaries.

Intervention

So far these are normal enough provisions for preference shares. But the memorandum continues: "Save as herein specially provided to the contrary, all shares of the company shall rank *pari passu* in every manner," and it is the construction to be placed on this phrase which is at the heart of the present battle. The AT Collieries Board, on legal advice, took it to mean that its renunciation of its rights in favour of shareholders had to include the preference shareholders. This decision is what the Old mutual disputes.

When Old Mutual disclosed its view at the AT Collieries general meeting last September, the Johannesburg Stock Exchange intervened by telling the AT Collieries board that it would only support renunciation in favour of the preference shares if AT Collieries obtained a declaratory order court. The JSE's embarrassment was considerable, because if the board's original interpretation was correct, the AT Collieries preference share were arguably a type of participating preference shares and should have been listed as such. Moreover, the local and overseas institutions which had bought the ordinaries could reasonably claim that they had been misled by the manner of the preference shares listing which, of course, is subject to annual revision.

The declaratory order handed down in November ruled that the preference shares could not participate and ordered AT Collieries to pay Old Mutual's costs. The AT Collieries board first said it would not appeal but subsequently, following presentations from a majority of the preference shareholders—including some of the AT Collieries directors—lodged an appeal once the principal preference shareholders indemnified the company against costs.

The second judgment has now overthrown the decision of the lower court and upheld the appeal, ruling that preference shareholders, registered as at November 7 last year can participate in the rights, with costs this time awarded in favour of AT Collieries. The three judges held that there was nothing in the appellant's memorandum and articles "which denies to the holders of preference shares the opportunity which the appellant's board of directors wishes to make available," and that the general provision operated that "in respect of the opportunity to take up the notes, the preference share rank pari passu with the ordinary shares."

Bull market

With the bull market in coal stocks continuing in Johannesburg, Witbank Collieries stands at 1,000c and AT Collieries' shareholding is worth R10.7m. AT Collieries ordinaries are 490c, reflecting the theoretical underlying asset value of 669c. It is not clear what the two classes of shares would be entitled to on liquidation, as the provincial court did not rule on AT Collieries' "secondary prayer" as to whether the preference shares would then also rank pari passu, the judges saying that "there is nothing before us to suggest that the appellant company is likely to be wound up in the foreseeable future."

However, the preference shares have moved up to 80c., which possibly reflects their unusual status, as the yield is only 3.8 per cent. Old Mutual, meanwhile, has indicated that it intends to appeal, which probably leaves the issue some months from its final outcome.

Rand discount widens

FINANCIAL TIMES REPORTER

AGAINST most expectations, the Securities Rand discount has widened sharply to an all time low in Johannesburg, where it is now quoted at U.S.71 cents-72½ cents compared with U.S.82 cents-83 cents at the beginning of last week. Compared to the official parity of one rand: $1.15, the discount is now 38 per cent. and indicates that share prices overseas—for example, in New York, or ex-premium in London—are 38 per cent. below the Johannesburb equivalent price. This reflects among other things the inability of South African portfolio managers to invest outside the republic.

It is also a measure of general overseas investor confidence; and the current low is not surprising after the Soweto riots and given the large balance of payments deficit. However, technically the discount was expected to narrow to an extent, with two big rights issues coming up from AE and CI and Stanbic whose overseas shareholders can use securities rands to follow their rights. The main reason for the latest slide is that the sharp fall in the price of gold after the IMF auction has cast further doubts on the speed of recovery in the South African economy and inevitably raised fears of devaluation.

The parity changes of the past year and continued decline in the securities rand discount, even based on the present parity, have thrown up some staggering book losses for overseas fund managers. One instance is Tedelex, the main local TV manufacturer, which London bought at around 180 cents this time last year. It now stands at 130 cents in Johannesburg, so there is a 28 per cent. loss on the share price, but on top of that overseas buyers have lost 23 per cent. on devaluations and about 20 per cent. on the movement of the discount against them, for a total capital loss of 71 per cent. if the shares were to be sold now.

Growth in insurance

BY PAUL LENDVAI

VIENNA, July 19.

BUNDESLAENDER Versicherung has reported an above-average growth in premiums for last year with a jump of 15 per cent. to an all-time peak of Sch.4.1bn. (£128m.). This means that the rate of expansion has been faster than average for the fourth consecutive year.

The fastest growth was achieved in direct business by private house insurance with 29.2 per cent., followed by life business, up by 16.2 per cent. and property insurance up by 10.6 per cent. As a result of this growth, the company managed to increase its market share further from 17.2 per cent. in 1973 and 17.6 per cent. in 1974 to 17.9 per cent. last year.

The number of insurance policies reached 3.1m. However, rising costs in car and house insurance are giving cause for increasing concern, the Board said. The performance of life insurance was satisfactory. Life business achieved a level of Sch.16.6bn. comprising 1m. insurance policies.

Meanwhile, Donau, another Austrian insurance company, reports an 11 per cent. rise in premium revenues to Sch.901m. in 1975. Including investment income, total operating revenues reached Sch.1bn. as against Sch.897m. in 1974. Premiums in direct business (life and property) were up by 15 per cent., thus doubling the growth rate recorded in the preceding year.

Life insurance premiums expanded by 12 per cent. In accident insurance car business accounted for one-fourth of these premiums but losses in this sector have doubled to Sch.19m. Except for fire, factory, household and accident insurance, all other sectors recorded higher growth rates than in 1974.

Net profit was Sch.5.3m. (Sch.5.5m.) and an unchanged dividend of 7 per cent. is announced on the Sch.72m. capital. As before Wiener Städtische holds 67 per cent. and the Swiss Rueckversicherungsges 33 per cent. of capital.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Mostly lower after early firmness

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 19.

EARLIER FIRMNESS gave place to mostly lower levels on Wall Street to-day, when there was little in the news to support the Stock Market.

After rising 2.45 to 995.66, the Dow Jones Industrial Average reacted to 990.83, for a net loss of 2.38. The NYSE All Common Index lost .19 cents to $55.75, while declines led gains by 791 to 628. Trading volume decreased 2.25m. shares to 18.2m.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony	496,100	10	+¼
Inter. Tel. Tel.	317,100	28½	+½
Nat. Semiconductor	314,600	43¾	−4⅛
Polaroid	[illegible]	39½	−1⅛
Xerox	175,400	60¼	+¼
Amer. Tel. Tel.	152,400	57	+¼
Citicorp	141,800	35⅝	−⅛
Evans Products	138,100	11½	−½
Amer. Airline	[illegible]	15⅝	+⅛
Southern Co.	133,700	15¾	+⅛

Corporate news governed behavior of individual issues, and most Gold Mining shares lost more than $1 following a big drop in the price of gold bullion overseas. But in general analysts said the Stock Market was nervous about the outlook for U.S. monetary policy.

The monetary concern arose late last week, when the Federal Reserve Bank of New York reported sharp increases in the *nation's key monetary aggregates.*

Eli Lilly fell $2¼ to $51¼—it raised its dividend, but reported "flat" per share earnings for the second quarter.

Mortors eased. Car makers and the United Auto Workers Union began negotiations on a new *three-year contract.*

National Semiconductor dropped $4⅛ to $43¾. Reliance Group were down $3⅛ to $14½ on some *bearish* Press comment.

But heavily traded Sony rose $¼ to $9¾ on bullish comment.

Du Pont were up $½ to $134½, following sharply higher earnings for the second quarter.

Skelly Oil jumped $12¾ to $100¾—Getty Oil, up $¾ to $175, plans to acquire the shares of Skelly it does not already own.

Studebaker Worthington *advanced $2½ to $53½* on higher earnings.

Allis-Chalmers added $¾ at $26¼, also responding to improved earnings.

The American SE Market Value Index slipped 0.82 to 105.20, while declines topped advances by 337 to *252.*

OTHER MARKETS

Canada down

Canadian Stock Markets generally lost ground in light trading yesterday.

The Gold share Index dropped 9.82 to 255.08, *Industrials shed 0.25* to 188.79, Base Metals eased 0.38 to 94.13, Utilities lost 0.25 to 142.91 and Papers dipped 0.22 to 120.70. But Western Oils put on 0.58 to 229.39 and Banks rose 0.24 to 236.39.

PARIS—Generally *firmer* as investors believed speculation against the French franc was about to end and the currency stabilise.

Banks, Investments, Foodstuffs, Rubbers, Electricals and Metals all gained ground while Engineerings and Constructions were *mixed.*

Stores and Transports were easier.

Americans, Germans and Oils were *higher, while Gold Mines* eased.

AMSTERDAM—Mostly easier in very quiet conditions.

Dutch Internationals eased with the exception of Hoogovens which firmed Fls.0.20 to Fls.53.0.

Plantations and most Transports and Banks fell, while Insurances and Industrials were mixed to lower.

State loans eased. Demand was strong for the Fls.100m. 25-year Thyssen-Bornemisza sub Ordinated Debenture Loan, with a profit-*linked rate of interest, open* for subscription to-day.

BRUSSELS—Mostly lower in slow trading.

In predominantly lower Steels, Cockerill shed Frs.10 to 826. Non-Ferrous Metals also declined. Vieille Montagne were off Frs.50 *to 4,350, and Hoboken Frs.20 to* 3,965.

In Mixed Chemicals, Gevaert slipped Frs.12 to 1,200 but Solvay rose Frs.20 to 2,600. Electricals tended higher, with Traction Electricite up Frs.40 to 2,765. Ebes were off Frs.20 to 2,065 in easier Utilities.

Oils finished mixed. Petrofina lost Frs.70 to 5,130 but Sidro put on Frs.10 to 792.

Among generally lower Holdings, Societe Generale fell Frs.240 to 2,365.

U.S. shares tended lower, South *African Golds weakened following* a declining gold price, while Dutch, French and German sectors closed easier.

GERMANY—Shares generally firmed with scattered demand for some issues such as BBC, up DM2.50, Degussa, up DM2.50, and Veba, up DM2.00. Otherwise trading was dull and featureless.

Banks and Motors were little *changed, although in Engineerings* Demag dropped DM3.5 and KHD shed DM1.

Domestic Public Bonds met *some demand, especially for two* and three-year issues. The Regulating Authorities sold a net DM5m. nominal of stock as price movements ranged from DM0.15 gains to DM0.25 losses. The new DM550m. loan for Northrhine Westphalia traded at ½ discount. Foreign Mark Loans were practically unchanged.

SWITZERLAND—Slightly easier in quiet trading.

Swissair, however, rose Frs.5 to 574.

Banks were mixed, with Union Bank down Frs.10 at 3,200 but Swiss Bank were up Frs.1 at 442.

In Engineerings, *Fischer* put on Frs.10 to 690. Alusuisse fell Frs. 15 to 1,360 in Industrials. Brown Boveri were off Frs.5 at 1,680.

Sandoz rose Frs.10 to 3,260 in Pharmaceuticals.

State Bonds were generally steady. Dollar stocks edged lower, while Dutch Internationals were barely steady. Germans were little changed.

MILAN—Prices rose an average of 1.5 per cent. on good trading.

Montedison, Snia Viscosa, Bastogi and Insurance issues showed the best gains, together with Fiat.

JOHANNESBURG—Gold shares were sharply lower, reflecting lower bullion indications and caution ahead of further IMF gold auctions.

Financial Minings shadowed the trend in Golds.

In contrast other metals and minerals were firm, as were *Pdatinums* and Coppers.

Collieries were generally steady, while the Industrial sector was steady in featureless dealings.

TOKYO—Prices declined in very quiet trading with buyers holding off, awaiting further developments in the Lockheed affair. Volume 80m. shares.

Electricals, Motors, Pharmaceuticals and some other leading issues lost ground on sporadic selling.

Petroleums also weakened after their recent firmness on the yen's rise against the dollar.

HONG KONG—Lower on lack of buying support, with turnover remaining low and the trading pattern similar to that of last week.

Orient Overseas Container Line fell to $HK3.40 on news Jardine Matheson will acquire 17m. new shares in OOCL for $HK3.05 a share.

Wheelock Marden shed 2½ cents to $HK2.425 as trading began in the fully paid shares resulting from its rights issue. Hong Kong Bank dipped 10 cents to $HK19.00, Hutchison 2½ cents to $HK3.05, Jardine Matheson 20 cents to $HK21.10, and Swire Pacific 5 cents to $HK9.20.

Australia generally easier in moderately light trading, with buyers *pausing rather than taking* profits after the recent advance.

Iron Ore Mines were firmer, with Hamersley gaining 10 cents to $A2.50 and Robe River 5 cents to $A1.40 following Hamersley's interim profit announcement.

Peko Wallsend, however, fell *14 cents to $A5.96, after trading* up to $A6.16.

BHP shed 4 cents to $A8.30 ahead of its final results expected this week.

Gold weaker

Gold remained very weak yesterday, falling $3½ to $113-$114, the lowest closing level since the end of December 1973. The metal has lost $9 since the result of the second gold auction by the International Monetary Fund at the end of last week. Trading was active, reflecting steady selling in a nervous market which lacks buying interest. The krugerrand's premium over its gold content widened to 3.96 per cent. from 3.73 per cent. for domestic delivery, but narrowed to 3.52 per cent. from 3.73 per cent. in the international market.

The French franc continued its recent *decline* in the foreign exchange market yesterday, partly on fears about the future pattern of inflation in France and also on concern about the effect of the current drought on French agriculture. The recent fall in the value of gold may also be another factor behind the weakness of the franc, since France is a large holder of gold and the decline has reduced the value of its reserves. The franc opened at Frs.4.87½ against the dollar and touched a low of Frs.4.9525, before closing at Frs.4.93. Its trade-weighted depreciation since the Washington Currency Agreement, as calculated by Morgan Guaranty, was 0.82 per cent., against an appreciation of 0.25 per cent. on Friday.

Sterling fell 15 points in terms of the dollar, to close at $1.7740-$1.7750. Trading was fairly quiet, with the pound touching a best level of $1.7750-$1.7760. Its trade-weighted depreciation since the Washington Agreement, as calculated by the Bank of England, narrowed to 38.8 per cent. from 38.9 per cent. after standing at 38.9 per cent. at noon and 39 per cent. in early dealings.

The dollar's depreciation, on the Morgan Guaranty basis, narrowed to 1.79 per cent. from 1.83 per cent.

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	July 19	July 16
Sterling	0.644504	0.644726
U.S. dollar	1.14277	1.14355
Belgian franc	45.4308	45.5419
Deutschemark	2.94240	2.94784
French franc	5.62814	5.58567
Italian lira	957.498	958.123
Japanese yen	335.974	331.204
Dutch guilder	3.12605	3.12932
Swedish krone	5.10304	5.16453
Swiss franc	2.83087	2.83829

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

July 19	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frnkfu't	—	2.575-576	52.20-30	6.37-38	4.570-575	94.15-25	103.90-104
N. York	38.82-84	—	20.32-34	2.5160-67	1.7745-775	36.53-58	40.32-54
Paris	191.00-60	4.9175-9325	—	12.370-415	8.72½-7600	179.5-180.5	193.3½-775
Brussels	15.43-46	39.74-77	8.05-08	—	70.43-55	14.62-65	16.05-06½
London	[illegible]	1.774-775	8.74-8.75	70.50-.70	—	4.85-86	4.40-41
Am'rd'm.	106.215-365	2.7342-67	55.595-635	6.8795-884	4.844-851	—	110.32-4½
Zurich	96.30-39	2.4813-23	50.30-38	6.23-2375	4.405-408	90.57-64	—

U.S. $ in Montreal, U.S. $=97.48-50 Canadian cents. Canadian $ in New York, C$=102.56-59 U.S. cents. U.S. $ in Milan 837.50-838.0. Sterling in Milan 1,484.75-1,488.95.

EURO-CURRENCY INTEREST RATES*

July 19 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11½-12½	5-5½	7¼-8¼	7½-8	4¼-4½	1-1¼
7 days notice	12½-13½	5¼-5⅞	7¾-8¾	7½-8	4¼-4½	1-1¼
Month	13⅜-14¼	5½-5⅞	8⅞-9½	5½-5¾	4¼-4⅝	½-1⅛
Three months	13½-14	5⅞-6½	8¼-8½	6¼-6⅝	4⅝-4½	1½-1⅝
Six months	13⅞-14⅛	6¼-6¾	8½-9¾	8-8¼	4⅞-5	1⅝-2⅛
One year	13½-14½	6¾-7⅛	9⅛-9¾	7⅞-8⅛	5⅛-5⅜	2⅛-2⅝

Euro-French deposit rates: two-day 15-18 per cent.; seven-day 15-16 per cent.; one-month 15½-16 per cent.; three-month 13½-14½ per cent.; six-month 13½-13¾ per cent.; one year 11½-12½ per cent.

Longer-term Eurodollar deposits: two years 8-8½ per cent.; three years 8¼-8½ per cent.; four years 8½-8¾ per cent.; five years 8¼-8½ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one-month 5⅞-5⅞ per cent.; three month 5 11/16-5 13/16 per cent.; six-month 5 15/16-6 1/16 per cent.; one year 6⅜-6⅝ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

	July 19	July 16
Gold Bullion (a fine ounce)		
Close	$113-114	$116[illegible]
Opening	$113 113¾	$119[illegible]
Morning fixing	$117.75 (£66.375)	$119[illegible] (£67.[illegible])
Afternoon fixing	$114.15 (£64.339)	$117[illegible] (£66.[illegible])
Gold Coins domestically		
Krugerrand	$117-119 (£66-67)	$120[illegible] (£68[illegible])
New Sov'r'gns	$42-44 (£23¾-24¾)	$43-[illegible] (£24[illegible])
Old Sov'r'gns	$39-41 (£22-23)	$39[illegible] (£22[illegible])
Gold Coins (Intern'nally)		
Krugerrand	$116½-118½ (£65¾-66¾)	$120[illegible] (£68[illegible])
New Sov'r'gns	$41¾-43¾ (£23½-24½)	$42[illegible] (£24[illegible])
Old Sov'r'gns	$34-36 (£19¼-20¼)	$36[illegible] (£20[illegible])
$20 Eagles	$184-187	$19[illegible]
$10 Eagles	$91-94	$94[illegible]
$5 Eagles	$61-64	$64[illegible]

FOREIGN EXCHANGES

July 19 1976	Bank Rate %	Market Rates Day's Spread
New York	5½	1.7720-1.7800
Montreal	9½	1.7208-1.7630
Amsterdam	5	4.84-4.87
Brussels	7	70.35-70.86
Copenh'gen	8½	10.82-10.88
Frankfurt	3½	4.55½-4.58¼
Lisbon	6½	55.45-55.90
Madrid	17	120.40-120.90
Milan	12	1,484-1,488
Oslo	5	9.83½-9.84½
Paris	8	8.68-8.75
Stockholm	6	7.81-7.84
Tokyo	6½	517-522
Vienna	4	32.50-32.70
Zurich	2	4.38½-4.41½

* Basic discount. † Rates given for convertible francs: financial franc 71.70.

OTHER MARKETS

		Notes Rates
♦Argentina	242.39-243.58	Argentina
Australia	1.4262-1.4420	Austria
Brazil	19.08-20.09	Belgium
Finland	6.88-6.98	Brazil
Greece	64.445-66.064	Canada
Hong Kong	8.7550-8.7825	Denmark
Iran	125-128	France
Kuwait	0.517-0.527	Germany
Luxembourg	70.58-70.79	Greece
Malaysia	4.4585-4.4725	Italy
N. Zealand	1.7808-1.7982	Japan
Saudi Arabia	6.21-6.31	Netherl'ds
Singapore	4.3805-4.3930	Norway
S. Africa	1.5431-1.5486	Portugal
U.S.—		Spain
Canada		Switz'land
C$1—		U.S.
U.S. cents	102.55-102.60	Yugoslavia

* Basic discount. † Given rates for dealers. ♦ Rate given is Official. SCBRA rate 442.38-445.[illegible]

FORWARD RATES

—	One Month	Three Months
New York	1.35-1.25 c.pm	[illegible]
Montreal	0.80-0.70 c.pm	[illegible]
Amst'dam	2¾-1¾ c.pm	[illegible]
Brussels	25-5 c.pm	[illegible]
Cop'nhg'n	3½-1½ ore pm	[illegible]
Frankfurt	4½-3½ pf. pm	[illegible]
Lisbon	50-150 c. dis	[illegible]
Madrid	70-110 c. dis	[illegible]
Milan	par-8 lire dis	[illegible]
Oslo	5¼-3¾ ore pm	[illegible]
Paris	2½-1½ c. pm	[illegible]
Stockh'lm	4¾-2¾ ore pm	[illegible]
Vienna	40-20 gro pm	[illegible]
Zurich	5½-4½ c. pm	[illegible]

Six-month forward U.S. dollar [illegible] pm and 12-month 12.75-12.65c [illegible]

Indices

NEW YORK — DOW JONES

	July 19	July 16	July 15	July 14	July 13	July 12	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	990.83	993.21	987.49	995.16	1008.08	1011.21	1,011.21 (12/7)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	86.76	86.77	86.88	86.76	86.71	86.84	86.98 (15/7)	85.63 (13/7)	—	—
Transport	227.35	228.67	229.08	231.27	230.06	229.53	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	90.71	90.55	89.97	90.81	90.65	90.94	91.90 (4/2)	84.89 (26/5)	163.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol 000's	18,200	20,450	20,400	25,840	27,550	25,750	—	—	—	—

* Basis of index changed from July 1.

	July 15	July 9	July 2	Year ago (approx)
Ind. div. yield %	3.83	3.79	3.80	4.48

STANDARD AND POORS

	July 19	July 16	July 15	July 14	July 13	July 12	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	117.04	117.48	116.12	118.02	118.59	118.01	118.82 (14/7)	101.64 (2/1)	134.54 (11/1/73)	4.52 (30/6/32)
†Composite	104.29	104.68	105.20	105.95	105.67	105.90	105.95 (14/7)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	July 15	July 8	July 1	Year ago (approx.)
Ind. div. yield %	3.30	3.35	3.34	3.60
Ind. P/E Ratio	13.05	12.95	12.62	11.57
Long Govt. Bond yield	8.60	8.67	8.68	8.75

N.Y. S.E. ALL COMMON

July 19	July 16	July 15	July 14	1976 High	1976 Low
55.75	55.94	56.23	56.81	56.54 (12/7/76)	47.06 (2/1/76)

Rises and Falls	July 19	
Issues Traded—1,873		Up—628
Down—791		Same—454
New Highs 59		New Lows 11

MONTREAL	July 19	July 16	July 15	July 14	1976 High		1976 Low	
Industrial	197.78	197.81	199.61	200.10	207.58	(19/6)	176.62	(2/1)
Combined	191.18	191.82	192.77	192.90	198.76	(23/6)	175.67	(2/1)
TORONTO Industrial	188.79	189.04	189.92	189.86	197.46	(20/2)	175.81	(2/1)
JOHANNESBURG Gold	161.7	166.0	172.6	172.7	[illegible]	(12/4)	161.7	(19/7)
Industrials	205.0	204.1	205.5	205.6	216.0	(21/5)	198.6	(6/4)

	July 19	Previous	1976 High	1976 Low
Australia (a)	496.70	497.14	497.14 (15/7)	445.88 (6/1)
Belgium (b)	101.46	102.10	113.12 (5/2)	97.65 (2/6)
Denmark (d)	113.06	112.55	113.06 (19/7)	100.20 (10/3)
France (e)	63.9	62.7	(4.6 (3/6)	62.7 (15/7)
Germany (f)	744.7	746.4	821.7 (17/3)	735.0 (25/6)
Holland (g)	92.5	92.6	105.6 (6/2)	89.2 (29/6)
Hongkong (h)	407.57	410.42	465.33 (17/3)	354.56 (2/1)
Italy (k)	86.85	84.66	91.37 (25/2)	72.80 (4/6)
Japan (m)	347.07	347.71	357.90 (30/6)	326.28 (6/1)
Singapore (n)	256.97	267.17	296.18 (3/2)	236.35 (2/1)

	July 19	Previous	High 1976	1976 Low
Spain (p)	—	86.40	100.10 (7/5)	84.46 (1/4)
Sweden (q)	468.24	462.76	476.38 (10/5)	395.37 (19/1)
Switz'rl'd (r)	289.0	290.8	299.6 (13/4)	276.3 (4/6)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—106½% (107%)

NEW YORK

Stock	July 19	July 16	Stock	July 19	July 16	Stock	July 19	July 16	Stock	July 19	July 16	Stock	July 19	July 16
Abbot Labs	48	47½	Corning Glass	75½	76¼	Johns Manville	30¾	30⅞	Republic Steel	37	36¾	Zenith Radio	34⅝	35⅞
Addressograph	10¾	11	CPC Int'nation'l	46⅝	46¼	Johnson Johnson	87½	88	Revlon	57⅝	57¼	Chile 3% 1993	†91	†91
Aetna Life & Cas.	29¼	29	Crane	52⅝	53⅛	Johnson Control	22⅞	23	Reynolds Metals	39	38¾	U.S. Treas. 4% 1980	†90¼	†90¼
Air Products	76½	76½	Crocker Nat	26¾	26⅞	Joy Manufactur'g	47½	47½	Reynolds R. J.	58¼	59	U.S. Treas. 4¼% 75/85	†84⅛	†84⅛
[illegible]			Crown Zellerbach	41⅛	41⅜	Kaiser Alumin'm	38¾	38¼	Rich'sons Merrel.	23¾	24	U.S. 90 days bills	5.24	5.17
			Cummins Engine	38½	39⅜	Kaiser Industries	14¾	14⅞	Rockwell Inter.	30¼	30⅞			

[illegible]

CANADA

[illegible]

GERMANY ♦

July 19	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	89.2	−1.1	—	—
Allianz Versich.	421.5	+0.5	18	2.1
B.M.W.	240.5		18	3.7
BASF	160	+0.5	14	4.3
Bayer	130		17	6.1
Bayer Hypo	275	−0.5	20	3.6
Bayer Vereinsbk.	275		20	3.1
Commerzbank	181.5		18	5.0
Conti. Gummi	69.5	−0.7	—	—
Daimler	339	−2.9	17	2.5
[illegible]				

MILAN

July 19	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	765	+35	—	—
ANIC	675	+45	—	—
Assicurazioni Gen.	8,601	+151	180	5.6
Bastogi	†1,175	+35	70	6.0
Breda	2,410	+51	155	6.3
Bumpo	9,630	+150	200	2.0
Centrali	7,200	+110	—	—
CIGA	[illegible]	+30	—	—
Cudinini	4,730	+42	225	4.8
Dalmine	675	+25	75	1.1
[illegible]				

AUSTRALIA

July 19	Aust. $	+ or −
Acrow Australia	†0.70	
Adelaide Brighton Cem.	†1.20	−0.04
Allied Mnig-Trdg. Indus.	†1.55	
Ampol Exploration	†1.15	−0.02
Ampol Petroleum	†0.70	−0.01
Assoc. Minerals	15.55	+0.05
[illegible]		

JOHANNESBURG

MINES

July 19

	R	+ or −
Anglo American Cpn.	[illegible]	
Charter Consolidated	[illegible]	
Elsburg	[illegible]	
Harmony	[illegible]	
Kinross	[illegible]	
Kloof	[illegible]	
Potgietersrust	[illegible]	
[illegible]		

INDUSTRIALS

[illegible]

PARIS

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND ♦

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

STOCKHOLM

[illegible]

TOKYO ¶

[illegible]

OSLO

[illegible]

SPAIN ♥

[illegible]

NOTES: [illegible]

هكذا صار الأصل

FINANCIAL TIMES SURVEY

Tuesday, July 20 1976

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BELGIUM

Behind the national identity known as Belgium lies an admixture of peoples and languages. Conflicts resulting from this accident of time and place have for long presented the country with problems seemingly almost insoluble. Now moves are afoot to seek some form of federal constitution.

This Survey was written by
DAVID CURRY, Brussels Correspondent

M HAS decided that it
choice but to turn
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muscle; Wallonia's new poverty and the Francophone reaction to the steady redressment of Flemish grievances has begun to create an incipient Walloon nationalism, but nowhere near so articulate as the Flemish nationalism which was born in the days of "colonial" rule.

On top of the linguistic and economic divide comes the political division. By and large Flanders is conservative, basing its ideas of industrial society on the German model. Wallonia is traditionally Socialist, militant in its industrial relations, with a semi-insurrectional spirit.

In an attempt to tackle the linguistic problem Belgium has already embarked on a course of "regionalisation." This is intended to stand for the division of certain central functions into specifically regional affairs with a budget per region. In practice it means nothing more than the sub-division of Ministries in Brussels with certain Ministers responsible for regional affairs operating within the framework of the central State. The equivalent in Britain is not the proposed Scottish or Welsh Assembly but the Scottish Office and Welsh Office in Whitehall—provided that one multiplies Secretaries of State for Scottish Affairs so that each one can hold a certain portfolio.

Regionalisation is intended to pave the way for federalism. The problem is that there is precious little agreement about how federalism shall be brought about, and in particular over the crucial key to this federalism—the fate of the Brussels area.

The origins of separatist sentiment can be traced back well into the last century. For practical purposes the important date is 1960 (though the right won by Flanders in 1935 to administer purely Dutch education in its schools rather than bi-lingual education—Wallonia already provided French education solely—marks an important watershed).

A series of insurrectionary strikes in Wallonia in 1960-61 played a significant role in converting an influential section of the Walloon Socialist Party to federalism. This sentiment received no legislative expression until 1971 when regionalisation was embarked upon. Cultural councils were established for the two linguistic regions composed of Dutch-speaking and French-speaking MPs respectively and endowed with limited powers over cultural affairs (the Dutch Council decreed that all company business had to be carried on in Dutch, for example).

Regions

Three administrative regions—Flanders, Wallonia and Brussels—were delineated and it was intended that each region should be endowed with "bodies composed of elected representatives" charged with responsibility for economic and social affairs. Those intentions have never been carried out and the whole shape of federalism is still in the melting pot.

The choice is essentially between a *"fédéralisme à deux"*—which by and large finds most support among Flemings—in which Flanders and Wallonia would be largely autonomous regions but Brussels would have very limited autonomous powers and remain largely under central tutelage; and *"fédéralisme à trois"* in which Brussels would enjoy equal status to the other two regions, leaving a central government entrusted with the broad lines of financial defence and foreign policy.

The problem of Brussels is that it is an expanding, largely French-speaking island surrounded by Flemish territory. The story of the expansion of Brussels has been one of the growth of suburbs in Flemish country which gradually became Frenchified and finally dominantly French, and of the migration into Brussels of Flemish working-class families, there to be converted by the overwhelmingly French environment into French-speaking citizens. The role of Brussels as an agent of French dominance is of vital importance in understanding the Flemish attitude to federalism.

The complexity of the linguistic question can be seen simply by reference to the constitutional position. Remembering that Belgium also has a German-language region in the east of the country (one of the corners of Europe that seem to change hands with every peace treaty) the linguistic map of the country breaks down into a Dutch-language region (Flanders); a German-language region with a protected French language minority; a French-language region with a protected German language minority; a bilingual French-Dutch region (Brussels); a Dutch-language region with a protected French minority; a French-language region with a protected Dutch-language minority; and a French-language region (Wallonia).

Elaborate formulae have been worked out to keep a balance of linguistic power. The 19 communes of Brussels are, by law, supposed to have bilingual administrations. National or central administrations employ Dutch- or French-speaking staff according to the volume of the business they handle from each language group, but there is no agreed way of working out how this formula is arrived at (for example, does the savings bank base staffing on the number of account books or the volume of deposits?). In the higher reaches of administration parity and bilingualism are required but in practice Flemings tend to dominate the higher echelons because they are more likely to be bi-lingual than Francophones.

At the political level (and remembering that throughout the administrations there is a parallel political balance between political persuasions) three devices are employed to limit the natural majority the Flemings have by virtue of numbers. At Ministerial level there is equality linguistically. There is parity in the higher Civil Service, and when one linguistic group reckons its community is threatened by a law it can ring the *"sonnette d'alarme"* and insist that the question be re-examined by the Government.

The balance is fragile, and is threatened by the steady process of division into linguistic wings of the traditional political parties. The ruling Christian Democrat Party has Flemish and Walloon wings under separate presidents and each wing has joined the European Christian Democrat Federation under its own name. The Liberal Party has done the same in the European Liberal grouping.

Nationalist

The Flemings have a nationalist party in the Volksunie, which devotes a lot of its time to trying to outrun the Flemish wing of the Christian Democrats, while the Walloons have the federalist grouping the Rassemblement Walloon, a member of the coalition government, but with origins are very strongly in Walloon Socialism. Brussels itself has its own federalist party, the Front Démocratique des Francophones, which broadly stands for getting equal status for Brussels in a federal system with sufficient territory to embrace the predominantly French-speaking areas bordering it but still in Flanders. (In particular six communes which are Flemish in administration but which provide facilities for the French-speakers under special constitutional arrangements.) Within Brussels the FDF has been identified with resistance to accepting fully bilingual facilities.

The Socialists have remained the nearest to a national party, and they recently managed to agree between their Flemish, Walloon and Brussels wings an outline for federalism which they will advertise heavily in the forthcoming local election campaign. Briefly they suggest elected assemblies in Flanders Wallonia and Brussels with a chief executive in each and with the existing provinces suppressed so that Flanders and Wallonia would each become subject to a separate administration. The present Upper House of Parliament would go, while important revenue-raising functions would remain with the central government.

On the vital question of the limits of Brussels the plan is imprecise but it looks as if some areas presently forming constituencies which stretch into the agglomeration would come into the Brussels region. However, the Socialists have clearly stopped short of suggesting the wholesale incorporation of the six French-speaking communes of Flanders into the Brussels region.

The Walloon position on Brussels is vague. The effectiveness of a "popular consultation" about its limits would depend entirely on who was permitted to vote. The Flemings (who forced a stop to the process of linguistic censuses 15 years ago because they were showing the "conversion" of Flemish areas around Brussels into French areas—and hence according to the law should have switched to use of the majority language) would draw the line at anything doing more than enlarge fractionally the existing 19 communes, while the Walloons themselves have always baulked at paying compensation to the Flemings for the enlargement of the bilingual area.

Another outstanding problem will be tax. The regions may well seek some formula which would oblige companies to pay tax not at their HQ in Brussels but at the site of their operations, while there is also lively debate about whether the regions could levy their own taxes (which would favour the much wider Flemish tax-base) or would receive block-grants (which would be based on a formula to assist Wallonia).

It is difficult to see early agreement on federation. Discussions are overlaid by rancour born of historical grievance and distrust and in any case the Belgian habit of settling problems by tortuous compromise will be harder to observe in the future when there is no longer the promise of automatic and rapid growth fuelled by foreign investment. "There is no longer a single area of public life which remains immune from the community (that is, linguistic) virus," declared Prime Minister Tindemans recently.

Federalism

The Flemish Employers Organisation has recently converted to federalism on the grounds, apparently, that it was desirable to maintain a "moderate, liberal market economy" in Flanders uncontaminated by "a Wallonia succumbing to the temptations of Marxist collectivism." Even the King, who has studiously spent 25 years trying to represent a State of diverse nationalities, celebrated his quarter-century of reign by declaring "To federate is to unite."

Failing either federalism or unity Belgium will continue to present the unhappy spectacle of being the host to most of the EEC's institutions, an apostle of European unity, but a country held together as much by inertia as conviction.

Economic ups and downs

AT THE time of the intense currency speculation which marked the withdrawal of the French franc from the currency snake, the pressure on the Belgian franc prompted a sharp debate on the strengths and weaknesses of the Belgian economy. While the Central Bank governor, Mr. Cecil de Strycker, declared firmly: "There is absolutely no sound economic reason to justify the attack on the Belgian franc," commentators were pointing out that, within a basic balance of payments strength and a recovery in industrial performance, there remained weaknesses. In particular, they pointed to the poor trade balance situation within the general balance of payments strength and to the increasing gap in the State's finances.

Restraint

In the short term Mr. de Strycker was proved right. The National Bank applied a savage dose of monetary restraint in forcing up interest rates across the board, imposing reduced rediscount quotas for banks, and restoring tighter guidelines for the reinvestment of bank funds in State paper. This helped to restore the position, and by the beginning of June the National Bank was able to repay to Fecom—the European monetary co-operation fund—the debts it had incurred in the course of costly support operations, and to rebuild up reserves. It has been cautiously relaxing its monetary restrictions and the prolonged currency unrest centring on the pound sterling and Italian lira left the Belgian franc untouched, fairly comfortably in the middle reaches of the snake.

Additional protection was afforded by the existence of the two-tier currency market in Belgium, while bank officials pointed out that the psychological link between the Belgian currency and the French franc bore little relation to the reality of Belgium's commerce, which looked to northern Europe for its most important markets.

The repayment of the Fecom debt has restored Belgium's position of having virtually no external debt. Its IMF position is untouched. It has a participation of B.Frs.26.5bn. and nearly B.Frs.30bn. in special drawing rights available, while its gold reserves are worth around B.Frs.68bn. even converting at $42.28 per ounce.

Belgium's technical ability to fight a new burst of speculation against the currency is, therefore, impressive. In addition, it is noticeable that the National Bank is opposed to a rapid downturn in interest rates precisely to avoid triggering off new speculation, though the right cash position of the Treasury is also a factor here.

One of the reasons for the reluctance to devalue or suffer a depreciation of the currency was the rapidity with which a devalued currency would raise *costs in the economy* and give a new push upward to the index, with its immediate spill-over into higher wages and loss of competitiveness for exports.

In 1975 the Belgo-Luxembourg union had an overall balance of payments surplus of some B.Frs.25bn., which was B.Frs.5.5bn. down on the previous year. Current transactions were B.Frs.37.8bn. (B.Frs.35.8bn. in 1974) to the good, while the capital account deficit was down from B.Frs.9bn. to B.Frs.12.4bn.

The trade balance on a settlements basis turned from a 1974 surplus of B.Frs.11.3bn. to a deficit of the same amount.

◀ *LEFT*

The city of Brugg[...] one of the great po[...] the later Middle [...] To-day it is linke[...] canal with the flouri[...] port of Zeebrugg[...] miles away.

BASIC STATISTI[...]	
Area	11,781 sq.[...]
Population	
GNP	B.Frs.2.[...]
Per capita	B.Frs.2[...]
TRADE (1975)	
Imports	B.Frs.1.[...]
Exports	B.Frs.1[...]
Imports from U.K.	£[...]
Exports to U.K.	£[...]
Currency: franc	
	£1=B.Fr[...]

* Including Luxembo[...]

The main factors were falls in the sales of steel and non-ferrous metals by around B.Frs.50bn.—nearly a quarter down—and a decline in copper shipments by B.Frs.21bn., which represented a halving of exports. The heavy destocking which took place last year in industrial countries and the decline in investment particularly hurt sales of these intermediate goods so important to Belgian trade. Overall exports finished the year only 4.8 per cent. worse off than in 1974, but the forecasts of a persistently adverse trend in the trade account make it unlikely that Belgium and Luxembourg will do better than finish the year *in overall equilibrium.*

With 40 per cent. of Belgian exports going to countries remaining within the snake, the pace of recovery depends overwhelmingly on what happens abroad. The Kredietbank reckons that there is a reasonable chance of a 3 per cent. growth in real GNP this year after last year's 2 per cent. decline. It notes the startling acceleration in public and private spending, while pinning its faith most to the need for stock replenishment. The *Ministry of Economic Affairs* is expecting a 2.7 per cent. rise per year in GNP, while the applied economics unit of the Free University of Brussels goes ½ per cent. better.

Trend

While the Belgian trade balance is still a problem most countries would happily swop for their own, the trend of *Government expenditure* is worrying some observers. In the first two months of this year the Budget deficit reached B.Frs.43.3bn., of which B.Frs.31.8bn. was current operations and B.Frs.11.5bn. investment. In the same period the deficit was B.Frs.33.5bn. The public debt in the first three months of the year increased by B.Frs.82.3bn., and the forecast is for it to grow by some B.Frs.126bn. over the year.

The financing requirements of the central Government will therefore be considerable. Including prepayment of bond loans and the contractual redemptions of the national debt, the Kredietbank has estimated the state's gross fi[...] deficit for 1976 as B.Frs.213bn. against B.Frs.188.5bn. last year.

The Government has [...] an *austerity* program[...] signed to curb the unb[...] increase in public spend[...] so far there has been li[...] cation that it will be [...] boost more than token [...] ment of its intentions.

Unemployment remai[...] bornly high at 217,000 [...] which represents 8.2 p[...] of the insured workfo[...] this excludes public se[...] ployees the actual rate [...] portion of the total w[...] is probably just unde[...] cent. The trend is slow[...] wards, but the structu[...] lem of imbalance of i[...] prosperity between [...] and Wallonia (which i[...] sed separately in this [...] will remain. In the tw[...] half months to the star[...] Flanders had been [...] absorb some 9,500 un[...] (out of 105,000) and [...] *some 2,700 (out of 79,0[...]* sels itself is very slowl[...] dents in its 33,000 jobl[...]

It is hoped that [...] price inflation will b[...] 8-9 per cent. range [...] The April-April rise [...] per cent.

A perspective of political doubts

PRIME MINISTER Leo Tindemans is something of a political enigma. A man who in Europe has won a reputation for imagination and a certain vision is seen in his own country as a diffident and almost quiescent leader. He is accused of irresolution, equivocation and a *lack* of taste for the hard political slog. While his critics will argue that were it not for the firmness of the National Bank, economic policy would go virtually by default in Belgium, his defenders will claim that the only way to stay on the surface in the treacherous undercurrents of Belgium party and community politics is to stay close to the bank.

Certainly, the Government's record is one of contradictions, which cannot all be traced to the obvious difficulties of running a coalition. When it has had the mind it has not hesitated to dragoon measures through Parliament in spite of vociferous *opposition:* it did this when it pushed through a bitterly controversial local government reform which telescoped 2,359 communities into 589 bigger units, with the biggest effect in socialist-dominated Wallonia. But the same government, faced with a difference of opinion between its *French* and *Dutch*-speaking supporters, agonised for months over the choice of a fighter to re-equip its air force (it finally opted for the American General Dynamics F-16) and spent virtually the whole of the autumn and winter on a long retreat from its ideas for a policy to combat inflation in the face of a fairly solidly united union front.

It is perhaps partly through temperament and partly through necessity and tradition that this Government has played the role of an arbiter *rather than an innovator.* But, *of course,* in a coalition every decision is itself the result of internal arbitration. The Government is grouped around the Social Christian Party, which is conservative, drawing its strength from Flanders and with its roots in Catholic political thought. Its coalition partner is the Party for Freedom and Progress (Liberals in shorthand), led by the Finance Minister Mr. Willy de Clercq, *which* is also heavily conservative in philosophy and reflects a classical economic school of thought.

Smallest

The little complication in the life of the coalition is its smallest partner, the Rassemblement Wallon (RW), the French federalist party, which grew out of socialist origins in *the old industrial parts of* Wallonia. This party has been a highly unstable element in the Government (notably during the debate over the F-16 purchase), partly because its parliament support ensures the Government a precarious majority, but also because the party's leaders outside the four cabinet ministers are inclined to blow up at short notice over small issues and are unwilling to *observe the constraints to* which their colleagues with administrative responsibilities are reconciled.

It was conditional upon pushing the federalist issue that the RW consented to joint the Government, but the two main coalition partners are themselves *divided* between Flemish and Francophone wings, with increasingly divergent philosophies.

The main *opposition* comes from the Socialist Party, based in Wallonia, Marxist in its oratory but with a history of fairly undogmatic government. The socialists have been raising their tone to match the militancy of the unions, in particular the FGTB, which has led the *opposition to the Government's* incomes policy drafts. Traditionally the socialists were the most unitary of the parties, but *they have also begun to fragment* into linguistic wings. Their 59 seats in the house makes them the second largest party after the 72-strong Social Christians.

The Volksunie, the Flemish nationalist party, also in opposition, is difficult to characterise. Its membership embraces cultural nationalists as well as a group of people whose political roots lie in war-time collaboration and Flemish nazism. Politically it is fighting for the same constituency as the Social Christians, and observers of the political scene are frequently entertained by the cross-fire between the Volksunie and the Flemish wing of the Social Christians as they outbid each other in Flemish nationalism while seeking to remain sufficiently plausible so as not to frighten away a *conservative* electorate.

Brussels also has its own parties. The Front Démocratique des Francophones is a sister party of the RW but much more conservative in tone. It stands for the creation of a Brussels region, French-speaking, with sufficient resources to be genuinely autonomous rather *than a dependency of the* central administration. It has captured a number of town halls and recently grabbed the headlines by the support it gave one of its number, Mayor Roger Nols of Schaerbeek, when the latter refused to dismantle the system of segregated inquiry desks for Flemings and French-speakers in his town hall.

The liberals have a small hold in Brussels, while nationally the Communists won four seats at the last elections.

The instability of the Government has led to expectations, regularly frustrated, that Tindemans would re-shake the Government and possibly offer to bring the socialists into the sort of grand coalition which is fairly common in Belgium. However, the final passing of the remnants of the anti-crisis measures and the beginnings of economic recovery saw him safely into the summer, and it is now expected that the shape of the Government will hang largely on the results of the October municipal elections in the newly enlarged communes.

The socialists are clearly anxious to be back in business, and there is a considerable body of business opinion which wishes privately that the socialists had been in government during the *economic crisis to hand the* poisoned chalice of incomes restraint to the unions. The socialists have recently come up with a "definitive" plan for federalism which enhances their credibility at a time when their "me too" act with the unions had been denting it. However, whether the agreement will win more adherents or simply alienate them because of its inevitable com*promises remains to be seen.*

Thorny

The Government has some thorny issues coming up. It has given itself to the end of the year to decide what to do about Sabena, the State-owned and loss-making airline, which seems booked for integration to a greater or lesser extent with KLM. It will have to cope with a difficult economic situation at the turn of the year when the present anti-crisis plan expires, and it has only nibbled around the end of the wage-costs problem. It is also under pressure to have another go at a federalist master plan since the socialist agreement looks likely to spark off a series of individual formulae. To complete the perspective of doubt, the ferocious drought which has afflicted Belgium seems likely to play havoc with the attempt to achieve consumer price stability.

هكذا صدر الأصل

BELGIUM III

Industry fighting to remain competitive

N EXPORTS some 50 . of production, heavily ated in vulnerable shed products, and low l value. The vital need emain competitive in The biggest preoccupa- Belgian industry and ent over the past year n how to remain com- in the face of a system omatic indexation of o the cost of living as rapidly making Bel- ges-costs as expensive some categories more e than in the U.S.

ry has put figures to t. Fabrimetal is the ody which covers the netalworking, mechani- electrical engineering, t equipment manufac- d plastics transforma- ors. In 1975 this sector 4 per cent. rise in strict sts of which 12.6 per as indexation while arges added a further ent. The 1974 wage in- as nearer 25 per cent.

same body, analysing and accounting for changes, puts the in- n wages costs in Bel- 77 per cent.; Holland cent., France 60 per ermany 50 per cent., per cent. and the U.K. ent.

Fédération des Entre- Belgique, the overall body which covers as well as manufactur- ulated wage costs per a company with plants n, France, the U.S. and . all costs converted gian francs at market May 3. Rounding off the points, it worked out that a turner was earning B.Frs. 147 in the U.K., 231 in France, 340 in the U.S., and 344 in Belgium. An electrician was earning respectively in the four countries B.Frs.157, 244, 323 and 336. A tool-maker was making B.Frs.165 in the U.K., 218 in France, 345 in the U.S. and 329 in Belgium.

It is this sort of statistic which is encouraging the retreat of foreign investment, and Belgium's entire post-war prosperity is based on the massive influx of overseas investment into the regions of Flanders and Brussels.

The Government made its first sally against the indexation system in September-October, when it proposed a combination of wage freeze and a looser link between salaries and the cost of living, at least enough to allow seasonal factors to iron themselves out before they were translated into higher pay.

Its proposals finally emerged from the long round of consultations truncated at the hands of the unions to whom the index is a sacred text (even the Civil List is indexed) but with just enough flesh to make it worth while. In addition, from June 1 a revised index has operated. This is still a long way from reflecting family budget priorities and leaves the monthly indexation of wages untouched, but none the less will have a small dampening effect.

The main elements in the *plan de relance*, as it has been christened, are a rent freeze and a freeze on professional fees and dividends until the end of the year. In addition, salaries of more than B.Frs.42,700 a month will not be indexed for the remainder of this year though smaller salaries continue to be linked to the cost of living. There is a special penal levy on all concessions over and above indexation for a nine-month period. The incidental effect of this plan was that during the long discussion a *de facto* wage freeze applied.

Prices are controlled while the Government has generally decided to hold fees and fares in the public sector steady this year.

The main index change has been to downgrade the importance of food and services and to introduce for the first time a 5 per cent. weighting for rents. To industry's chagrin, mortgages, which would have exercised a useful drag on the index, are not included. The weighting for food has moved from 30 to 25.15 per cent.; for services from 30 to 27.06 per cent.; while other non-food items have been given a heavier weighting at 42.79 instead of 40 per cent. In addition, within the broad categories the sampling is widened, so that fresh vegetables make their first appearance instead of leaving the whole weight of the fruit and vegetable sector on the lowly and highly vulnerable potato.

Blocked

With rents currently blocked and services and food traditionally outrunning the index as a whole, the new formula will slow down the cost of living rise. But there are fears that the removal of controls next year could cause an uncomfortable spurt.

The effect is hard to judge. Fabrimetal again is expecting a 12-13 per cent. rise in wages this year and thinks some 10.5 per cent. will come from the index.

Kredietbank, the third biggest bank in the country, calculated some months ago that Belgium could see a 14 per cent. wage cost increase this year against 7 per cent. in Germany and 10 per cent. in Holland, but reckons that fuller utilisation of capacity could limit wage costs per unit to only 5 per cent.

At the end of April the consumer price index stood at 154.27 (1971=100) which was a 9.7 per cent. 12 month increase. Food prices were still running 14.4 per cent. higher than the previous year.

M. Jacques de Staercke, the head of Fabrimetal, is cautious about predicting rapid economic recovery. "We have a recovery in volume, true enough, but it will take very long to get back to normal. The volume of orders is improving but it is still only 5.4 months' activity. There is absolutely no recovery in investment in equipment in the sector we cover while the signs of recovery are producing absolutely nothing in the way of better cash flow and profitability. Some companies are finding cash-flow shorter than last year and certain areas like metal construction, and naval construction which weathered 1975 relatively well are just now hitting really bad times."

Recovery

"The real situation has been masked by the spectacular recovery in car sales. Machine tools, in contrast, are catastrophic."

He is also hedging his bets on exports. "It's getting harder and harder to stay competitive. Our productivity is very good here and we keep our delivery dates, but you really can't compensate for the increase in wage costs over three or four years.

"The Government needs to maintain a good social climate and to protect investment. We are the only industrial country in the world with value added tax non-deductible from investment goods. Social charges are among the highest in the industrial world and are now passing the limit of what is reasonable. Workers are not making the link between their take-home pay and what it costs the company to generate that take-home pay."

The Société Générale de Belgique, the biggest holding company in Belgium, takes a similar view. Even accounting for the company's traditionally apocalyptic view its comments are gloomy. It points out that corporate profits in Belgium have not amounted to more than 5 per cent. of national income for the past 20 years with dividends never more than 2 per cent. of the total.

The process of contracting profit margins can only lead to a complete end to self-financing and fixed capital formation as companies devote their entire income to wages or to engage in ruthless rationalisation to cut manpower to a minimum, the Générale argued. Either way, save for a permanent moderation in wage increases, it sees a persisting high rate of unemployment.

The Générale also attacks "a fiscal system which helps to promote company financing by borrowing and getting into debt rather than by raising new risk capital: inflation has strengthened this tendency. The profits to be distributed as dividends are subject to tax on corporate profits; but the interest paid out to lenders is deductible from the taxable profit." It notes the penal effect of historical cost accounting for tax purposes.

"Inflation, taxation, inadequate profits and big public borrowings have acted together to make companies indisposed to issue risk capital and savers indisposed to subscribe it. It is no matter for surprise that the proportion of company indebtedness to company capital and reserves should have shown a continued rise to where in Belgium it is not more than half as big as capital and reserves."

M. De Staerke was anxious also to add up the asset side of the balance sheet. He pointed out Belgium's central position in the EEC with the majority of the Community's citizens within 300 kilometres of its frontiers; a first class communications situation where the road and canal networks of Europe focus; an open financial system with no problems of capital transfer and a sound commercial and parastatal financial network; adequate energy provision and a range of State aids and social infrastructure particularly attractive to foreign workers (he could have mentioned fiscal concessions for certain categories of foreigners also).

Despite the talk of the retreat of American investment from Europe, and the undeniable fact that the great boom years for foreign investment here are over, it is clear that Armageddon has not yet arrived for the Belgian manufacturing secto.. But how far the modest wage and index measures will simply tide industry over the recession into general recovery only to leave basic questions hanging fire until the next cyclical downturn remains to be seen.

One result of the recession will have been a modest expansion of the state's role in the economy through the mechanism of a public holding company. The Government had to concede the creation of such a body as the price for its incomes policy.

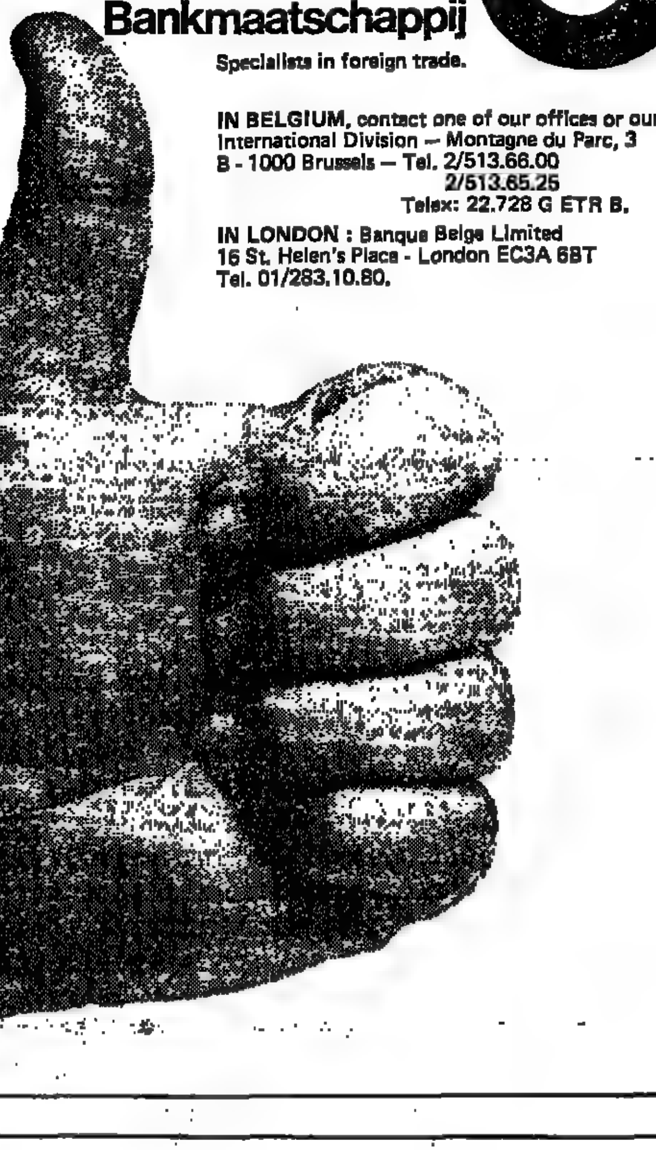
What it has done is to convert into the holding company the old Société Nationale d'Investissement which was set up in 1962 to promote the creation, reorganisation and extension of industrial and commercial enterprises through subscribing new share capital on an intended temporary basis. By the end of the 1974-5 financial year the company had B.Frs.5.1bn. in paid-up capital and a portfolio of some B.Frs.4.336bn.

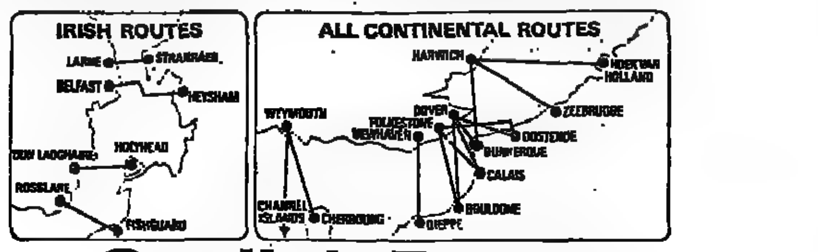
State-owned

In its new guise the SNI will be totally state-owned with B.Frs.10bn. in capital and cash-raising powers but its governing body will have private sector representatives. More important, the investment committee which must approve all investments of a holding company nature will be dominated by employers' organisation representatives. In other words, the increase in initiative of the SNI is being matched with a strong private sector advisory role while the public sector can now muster equity capital for a wider range of purposes than previously. The first target is likely to be participation in the proposed oil pipeline from Antwerp to the Belgian and Dutch provinces of Limburg and then on to Liège.

The way the holding company has been created in the teeth of furious dislike from some banking institutions and private sector holding companies (including Société Générale) without conceding to its unionist and Socialist advocates the concession of an instrument for the indiscriminate sustaining at public expense of lame-duck industries and state intervention illustrates well the pragmatism in the conduct of affairs devoted to the achievement of compromise which is such a hallmark of Belgian political technology.

A view of Antwerp, Europe's second largest port.





A tale of two regions

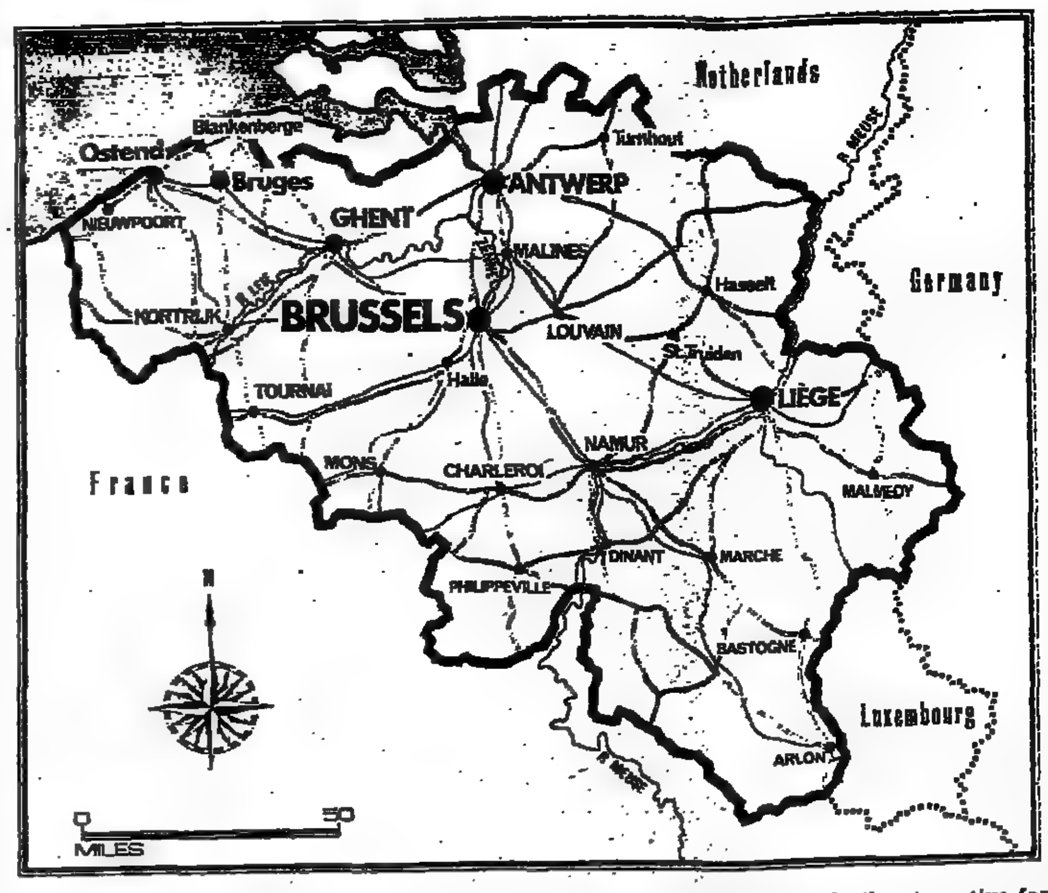
IN FLANDERS nationalism has grown with prosperity; in Wallonia it has been engendered by decline. Thus, linguistic division in Belgium overlays economic division and political division. This article is concerned with the disparate economic growth between the country's two chief linguistic regions and with the steps taken to equalise prosperity.

Flanders is the hinge of Northern Europe. Together with southern Holland it is geographically part of the Rhine Basin and the focus of the commercial routes leading to the Atlantic. These commercial routes are not merely road and rail, but the vital canal network which stretches ultimately to the Black Sea.

The region has not known evenly distributed growth. Its great boom area has been Antwerp and the Antwerp-*Brussels corridor. With some* 60m. tonnes of cargo handled a year, Antwerp ranks second only to Rotterdam as a European port, and while its growth is limited by the shallowness of the Excault estuary and the fact that this waterway is controlled by the Dutch, the port has still developed as an industrial complex based on oil and chemicals and distribution. Further west, moving towards the ancient Burgundian and Flemish capital of Brugge, Flanders has remained a land of flat polders and peasant agriculture, only just beginning to benefit from the attempt to push investment into the western areas around Brugge and its opening to the sea at the rapidly expanding container and roll on-roll off port of Zeebrugge.

The prosperity of Flanders is post-war, the product of foreign investment seeking access to the sea and to the European communications network, of relatively cheap land and labour, of a hospitable political and social climate in a conservative, catholic area, and of a liberal capitalist regime.

Wallonia, the geographically larger but numerically smaller part of Belgium, entirely landlocked, was built on the coal deposits which stretched along the Hain, Sambre and Meuse valleys and which were responsible for the growth of the main towns of the region like Charleroi, Mons and Liège. With coal went steel and heavy engineering, and traditional skills like textiles and glass. In the nineteenth century this region was Britain's main competitor as a European industrial power.



Conflict

It bred socialist politics, syndicalism which occasionally came close to insurrection and a reputation for industrial conflict which comparisons with Flanders do not fully justify.

But Wallonia also presents another face — that of the Ardennes — the rolling, thickly wooded slopes which point towards *Luxembourg and the* Moselle Valley. Together with the moorlands in the east, the Ardennes constitute Belgium's most consistently lovely scenery, virtually innocent of industry.

Flanders emerged from World War II with half the country's population and a clear majority of the young people, reflecting the bigger size of families. Wallonia had some 35 per cent. of the population and the rest lived in Brussels. Flanders was still Belgium's backward half, with up to 80 per cent. *of the national* jobless and daily migration into the French-speaking part of the country in search of work. In the mid-1950s gross regional product per capita was some B.Frs.40,700 in Flanders against B.Frs.46,900 in Wallonia and B.Frs.65,600 in the capital.

As late as 1960 the same pattern of individual prosperity was generally true, with Brussels, Wallonia and Flanders composing the league table in that order.

The rapid development of Flanders got under way in the mid-1950s. From 1955 to 1968 the Flemish share of GNP rose from 44 to 48 per cent. and Wallonia's slipped 5 points to 29 per cent. In the 15 years to 1975 *Wallonia's contribution to* national GNP fell by 15 per cent., while Flanders' share was up by a quarter.

While the demographic profile is now more even with the move away from big families beginning to be felt in Flanders, by 1980 *it is estimated that* some 5.7m. Belgians will be Flemings against 3.27m. Walloons and around 1m. living in Brussels.

Wallonia's decline was the decline of coal. In 1957 some 133 Walloon pits employing 111,000 miners produced 18.75m. tonnes of coal. In 1970 the remaining 19 pits required some 12,000 miners to lift 4.26m. tonnes of coal. The region's share of national unemployment climbed from 20 to 46 per cent., *and the working population* declined by 20 per cent. because of a low birth rate, early retirement and migration to Brussels. Even in 1970 coal met 41 per cent. of Belgian energy needs; but eight years previously it had been two-thirds, and between 1965 and 1970 there was a 43 per cent. decline in the tonnage of coal burned in Belgian power stations; despite the fact that all stations were traditionally equipped to burn the anthracite which kept a meagre few pits alive thanks to heavy Government and EEC subsidies.

The crisis of coal was matched by the crisis of steel. While the industry continued to grow, the process of modernisation and *investment cost some 8,300 jobs* in the 1960s, and Wallonia's steel industry is still badly fragmented, though a renewed series of mergers is now being undertaken at the hands of the big financial groups which control the steel companies.

The region still produces some three-quarters of the country's steel, which is a vital export earner, while Cockerill, the biggest steel group, has sustained a heavy volume of investment in the teeth of industrial recession.

Investment in Wallonia in fertilisers, light chemicals and drugs and some light engineering was inadequate to compensate for the loss of jobs in basic industries such as chemicals, zinc processing and engineering.

Meanwhile Flanders, and particularly the Brussels-Antwerp corridor, was developing as the home of oil-based industry assembly and distribution. In addition, parts of Flanders within striking distance of Antwerp received financial aid which provided a further incentive for investment to choose a Flemish domicile. In the 1960s it was calculated that East Flanders, Antwerp and Limbourg between them took some 80 per cent. of foreign investment *in Belgium*, and even the extension of regional aid to practically the whole of the coalfield in 1966 did little to dent the preference for Flanders. In the 1960s the provinces of Hainault and Liège developed some 46,000 new jobs, while some 69,000 were provided in Antwerp and east Flanders. In the first four years of the present decade it is thought that some 120,000 new jobs were created in Flanders.

The 15-year span from 1959 to 1974 saw State-aided investment topping B.Frs.306bn., creating some 205,000 jobs in Flanders, while B.Frs.216bn. of State-aided investment in Wallonia engineered about 100,000 new jobs, it is reckoned.

Depression

This tendency has not changed, although the depression has taken a heavy toll of investment, and the problem of industrial costs has robbed Belgium of an important part of its pulling power. There are some signs of comfort for Wallonia in recent investment trends which indicate that the region is attracting chemical concerns and that the metal industry is becoming more capital intensive.

Government policy [illegible] Wallonia has had thr[illegible] elements: financial a[illegible] incentives; industrial z[illegible] development along co[illegible]tion routes; and imp[illegible] in communications, [illegible] water-borne traffic. T[illegible] policy has endowed [illegible] with a comprehensive [illegible] network which plugs t[illegible] fully into the Europ[illegible]munications networ[illegible] Government has been [illegible] abstemious in bailing [illegible] companies, and its po[illegible] geared towards main[illegible] nucleus of skills in [illegible] important in regional [illegible]

The recession has si[illegible] laid a structural [illegible] Wallonia, and the [illegible]ment rate remains s[illegible] higher in the French provinces than in Fla[illegible]

It is an article of fai[illegible] Walloon-based politic[illegible] that the region needs an injection of confide[illegible] having some sort of autonomy will provid[illegible] base to tackle the [illegible] industrial problems [illegible] region. Flemish opinion has moved fai[illegible] away from its unitar[illegible]tions and is now incli[illegible] Flanders as a free economy region disa[illegible] itself from what it se[illegible]lective tendencies in [illegible] (in practice the indus[illegible]tions records of the tw[illegible] are not very different [illegible] the financial centre of [illegible] remains Brussels, the [illegible] could argue that Antw[illegible] serve them well as a capital, though in prac[illegible]cial power is heavily [illegible]ted in Brussels.

Increasingly, Bru[illegible]cluding the periphe[illegible] depends on the [illegible] developing as the growing industrial [illegible] Belgium. The pulling [illegible] Brussels and the em[illegible] *a sort of super-region* the Brussels-Antwer[illegible] and a significant [illegible] Brabant, which Brussels economicall[illegible]cates the problems [illegible] federal boundaries.

Although Belgian [illegible] are invariably seen [illegible] terms, the real shado[illegible] development of both the growth in indus[illegible] particularly of labou[illegible] a European, not Belgian phenomenon retreat of American [illegible] from the Continent [illegible]ticular danger to [illegible] which has based it [illegible] growth and its sys[illegible]dustrial relations; [illegible] compromise on the c[illegible] a steady and rapid prosperity.

The corporate state

BELGIUM IS a working example of a corporate state. By that I mean that the leading economic interest groups in the country have a formal presence at the highest level of political decision-taking. While at this level the role is consultative constitutionally, in practice these groups could be described as co-decision-makers.

Indeed, it very soon impresses one in Belgium that the Government regards one of its vital functions as achieving a policy which represents a consensus of opinion among the important lobby groups. This process of "*concertation*" is central to the Belgian way of doing business: it stretches down through Belgian life and is particularly well-entrenched in industrial relations.

There are two related but separate elements to this process: the structure relating to the organisation of the economy *and the apparatus which deals* with industrial and social questions.

To take the former first, the central body of economic consultation is the Central Economic Council (Conseil Central Economie) where all questions of general interest are discussed. In this body are represented the employers (through the Fédération des Entreprises de Belgique which represents both industrial and financial institutions): the unions (the *Socialist and the Christian, with* around 1m. members each, and the much smaller Liberal union): the trading classes (called in Belgium the "middle classes," which have their own ministry): and agricultural interests. The Government is not represented directly, though ministries can fulfil a technical servicing role if desired.

Policy

It is this body which the Goveroment will consult on economic policy, including anti-inflation measures; on employment creating steps; as well as on more specific items like company law reform.

One step down the hierarchy of consultation brings us to the Sectorial Councils (Conseils Professionels), where the same bipartite structure prevails, this time simplified to bring together the two sides involved in the particular sector. In this forum are discussed general economic questions applying to that particular sector—forecasts about employment, for example, in the metalworking industry or construction trades.

Below this level we arrive at the company, where the main body is the Company Council (Conseil d'entreprise) in concerns with more than 500 workers. The company management here faces worker delegates elected on the shop-floor from lists presented by the three unions. This council can take decisions on limited questions like holidays, rules of work and the like, but its main purpose is the dissemination of information of an economic and technical character affecting the company.

Parallel to this hierarchy of consultative committees covering broad economic questions *exists a structure of a more* specifically industrial character. At the head of this pyramid is the National Employment Council (Conseil National Travail), in which the two sides of industry negotiate global agreements for all enterprises covering non-salarial questions like working hours and holidays. It is consulted by the Government and occasionally by Parliament itself.

One step below this comes the series of councils which are *perhaps the most important* bodies in the Belgian industrial scene—the Commissions Paritaires—or the sectorial bargaining councils. These are set up by sector. The unions are represented by the same three federations, while the employers are represented by the trade body in their sectorial organisations whether or not they subscribe to the trade body. The agreements are binding on all employers in that sector, again irrespective of their membership of the trade body.

In these bodies the chair is held by a civil service representative. They also have regional sub-divisions; and wage bargaining may be done at the central or regional level depending on economic conditions. Agreements are registered with the Ministry of labour and occasionally can be given the force of law by royal decree. Appeal against infractions is to an industrial tribunal, but the unions have no civil personality at law.

At the company level, following the same family tree, we come to the company union delegation, mandatory on companies with 40 workers, through which all contact between management and unions is channelled. When problems arise they go first to this body and then up to the conciliation service of the Commission Paritaire presided over by a civil servant. Only when this conciliation attempt has failed can strike notice be officially given.

Model

This, of course, is the model system. In practice things are less well ordered, but the basis of this system holds together well. The inconvenience is that negotiations tend to be too far from the shop floor, particularly as the unions have developed weighty bureaucracies, and it is relatively common for workers to add shop-floor demands which have to be settled at company level. There has been a tendency, partly inspired by the same problem, to negotiate at regional rather than national level.

Worker participation is relatively behind-hand in Belgium, largely because of the failure of the unions to agree on what they want. There are two dominant unions. The FGTB, under strongly dogmatic Socialist leadership, is rooted in Wallonia (the French-speaking part), and makes common cause with the Belgian Socialist Party which for the past three years has been in Opposition. If pushed it would probably argue for workers' control of companies, *though the militant stand* it took last year on general economic issues failed to bring it increased strength in the company elections. The CSC (Confédération des Syndicates Chrétiens) is the Christian union, which believes in redistributing the fruits of capitalism and generally "socialising" the system. It has no formal political link but has some personal links with the Conservative party which is also more Flemish than Walloon in character. The two unions have maintained a common front during the economic crisis, particularly against the Government's attempts to modify the indexation system.

In the description of the corporate state it is necessary to *include the para-statal organisa*tions on whose governing bodies the big economic interests are represented. The national bank, the export credit institution, the price commission, the governing body ove[illegible] index, and the instit[illegible]viding credit for i[illegible] have mixed governi[illegible]

Finally, it is inter[illegible] *the formal governme*[illegible] on the councils desc[illegible] is very small. [illegible] genuinely tripartite [illegible] Comité National [illegible] Economique — anal[illegible] Britain's National D[illegible] Council—which disc[illegible] broad questions lik[illegible] planning and the [illegible] of exports.

What must be em[illegible] that on any big eco[illegible]tion the Governmen[illegible] put a measure bef[illegible]ment until it has [illegible] exhaustively the [illegible]cribed. In this [illegible] economic programm[illegible] joint presentation [illegible] Government and th[illegible] of industry, and if [illegible] lost more than the [illegible] bargaining, at leas[illegible] will usually accept compromise.

It is the relatively bureaucratised unio[illegible] and the (compared [illegible] relatively strong [illegible] representation whic[illegible] *system work. Altho*[illegible] frequent discontent [illegible] able that at least li[illegible] paid to the princi[illegible] *certation* with th[illegible] partners."

هكذا اصل الأصل

FARMING AND RAW MATERIALS

Platinum price rise followed

Our Commodities Staff

ENGELHARD INDUSTRIES announced last night that it was raising its price for platinum to $ from £94.5 a troy ounce.

The move brings its prices into line with those announced by major producer, Rustenburg Platinum Mines of South Africa which raised its world (dollar) price on Saturday.

However, despite the increases in these producer prices the free market price which fell by £3.3 on Friday to £95.8 lost another £ yesterday when it was fixed at £92.4 an oz.

The continued fall was due to a lower price being sought by the Soviet Union, which provides the free market with the bulk of its platinum supplies, coinciding with the depressing effect on sentiment of the fall in gold and the general selling tendency in commodity markets.

Trade sources said they did not anticipate that the free market situation would have any effect on the new producer price which had been determined by the growing strength of demand and the need to provide producers with adequate returns to meet production costs.

Impala Platinum, the other producer, which put up its price on July 6 leapfrogging Rustenburg's June price rise, had no comment to make on the latest Rustenburg increase.

Bank 'not concerned' on commodities

THE CENTRAL Bank of England inquiries into trade and other activities on terminal commodity markets revealed there was no reason for official concern, the Bank said in its report and accounts for the year ended February 29, 1976. Conditions were quieter than in the previous year, it said.

As well as maintaining regular contact, formal and informal, with the markets, the Bank said it conducted several inquiries, adding "the positions revealed did not give cause for concern."

Argentine rice crop estimate reduced

BUENOS AIRES, July 19.

ARGENTINE 1975/76 rice crop has been adjusted downwards to 309,000 tonnes, from 321,000 tonnes earlier forecast, the second report from the Agriculture Department said.

Reuter

French seek more EEC aid for drought hit farms

BY ROBIN REEVES

BRUSSELS, July 19

M. CHRISTIAN BONNET, the French agriculture minister, today called for additional EEC measures to aid drought stricken farmers, in France, the worst hit in the Community. Addressing the Common Market Council of Agricultural Ministers, which opened a two day meeting here today, he urged a whole series of measures aimed at underpinning French livestock markets.

These included prolonging intervention buying of dairy cows beyond the present end-month expiry date, a substantial increase in EEC beef export subsidies in order to clear storage space, an increased levy on young cattle imports which would boost demand for French store cattle from Italy, and, last but not least, removal of the variable premium payment on beef exported to France from Britain which he suggested was giving British producers and trade an unfair competitive edge and distorting the French market. However, British officials stressed the premium was not being paid at present and M. Pierre Lardinois the Agricultural Commissioner, quickly ruled out the proposal.

On milk, M. Bonnet took a very conciliatory line towards the Commission's proposals for curbing dairy surpluses. While stressing that this was no time to be discussing meaures which would hit farm incomes. M. Bonnet nevertheless conceded that, despite the drought, there was still an underlying problem in the Common Market dairy sector.

Milk production in France was currently running some 13 per cent. below the level of a year ago, but because of increased output in the earlier part of the year, 1976 milk output would be no more than 3-7 per cent. lower, he said.

Mr. Fred Peart, the U.K. Minister of Agriculture, told reporters he was "totally opposed" to one aspect of the Commission's dairy proposals—a tax on competing vegetable and marine oils and fats.

"It does not make economic sense, and it is not really directed to the heart of the problem which is to reduce incentives to structural surplases," he said.

Peter Bullen writes: In London yesterday the Ministry of Agriculture's weekly crop report said the prospects for sugar beet crops have declined, but more rain would result in some recovery. Early ageing of potato haulm due to the drought and high temperatures is likely to result in reduced yields. Early potatoes had suffered from the dry weather.

Most fodder crops south of Yorkshire had suffered from the drought, too, and grass growth had virtually ceased over much of the country. Grazing had been hit leading to a fall in milk yields and to the need for supplementary feeding.

On cereals, the Ministry reported that the harvesting of winter barley is virtually complete in the east and south of Britain and is proceeding rapidly elsewhere with average yields. "Spring barley, much of which ripened prematurely on thin soils, is generally likely to yield below average," it added.

"Winter wheat is ripening rapidly and harvesting should begin soon on the lighter soils. Yields are likely to vary widely according to locality but in total will be about average. Aphid attack on cereals continues to move north in line with ripening and is gradually receding."

As well as the fall in milk yields the Ministry said that the liveweight gain in sheep and cattle was being reduced due to scarcity of feed and there were water supply problems in many places. The condition of livestock generally was satisfactory however.

Oil and meal supply tightening

WASHINGTON, July 19.

A PROSPECTIVE decline in the 1976 U.S. soyabean crop, presently estimated at 36.7m. tonnes against 41.4m. in 1975, heralds tightening world supplies of oil and meal, according to U.S. Department of Agriculture (USDA) analyst, Mr. Alan Holz.

Mr. Holz, an oilseeds specialist, said in the USDA publication, Foreign Agriculture, world production of soyabean meal in 1977 is forecast at 42.8m. tonnes, down 2.6m. from estimated 1976 output.

Production of all other meals combined may rise by about 500,000 tonnes to 26.5m. tonnes worldwide, reflecting a projected increase in this year's Soviet sunflowerseed crop to 6.8m. tonnes from 5m. tonnes last year.

World cottonseed and Peruvian fishmeal supplies are expected to be greater, but he forecast 1977 total oilseed meal output at 67.2m. tonnes, down 2.1m. tonnes from the record predicted for this year.

Production of oils and fats in 1977, including vegetable, animal and marine oils is set at 48.5m. tonnes, only 340,000 tonnes above this year's estimated level.

The analyst's projections for the 1977 world oil and meal outlook assume the following: A 1977 Brazilian soyabean crop of 13m. tonnes—12 per cent. above this year's estimated level—world palm oil output next year of 3.6m. tonnes—an increase of 11 per cent.—Peruvian 1977 fishmeal output of 950,000 tonnes—up 6 per cent.—and some gain in fish oil production; U.S. cottonseed output this year of 3.7m. tonnes—a 24 per cent. increase—and world coconut oil output next year of 2.7m. tonnes—200,000 tonnes up from 1976.

Among offsetting factors he listed estimates of Indian groundnut output this year at 6m. tonnes (in shell)—down 800,000 tonnes from last year's record — and Canadian rapeseed output in 1976 of only 900,000 tonnes—compared with 1.64m. tonnes last year.

U.S. suppliers of vegetable oils and fats were predicted to lose more of the world market in 1977, with a probable reduction of their share to about 22 per cent. from an estimated 24 per cent. this year.

Mr. Holz noted the impact on availability from the expected slacking off of world oil and meal output next year would be largely offset by currently large world stocks. But he warned adverse weather could erode world oilseed harvests this year, causing sharp price changes.

● Indian Government officials said in New Delhi that India will withdraw import duties on edible oils from August 1. They said the State Trading Corporation will supply imported oils to industry at between Rs.5,000 and Rs.5,300 (£313-£332) a tonne. There will also be about Rs.300 a tonne available as freight reimbursement. The STC has no intention of raising prices beyond this limit.

At present the import duty on edible oils is 30 per cent. on repeseed oil and palm oil and 15 per cent. or soyabean oil.

Reuter

Commodity values fall continues

By Richard Mooney

THE GENERAL downtrend in Commodity prices continued yesterday led by coffee, which fell another £107.5 a tonne, and cocoa, which closed £38.25 lower on the day. Sugar was also depressed but metal prices were relatively stable and rubber rose marginally.

Coffee's fall, which took the September quotation on the London terminal market to £1,114 a tonne, another three-month low, was mainly a reflection of continuing market nervousness, based partly on the improving weather trend in Brazil's growing areas. A permissible limit fall in New York soon after the opening there was a further downward influence.

The fall in coffee also affected sentiment on the cocoa market where the September position closed at £1,154 a tonne. Cocoa had opened firm, with gains of over £20 a tonne, as manufacturers displayed more buying interest. But the general tone of commodities soon brought a downturn which some dealers thought was further encouraged by aggressive selling from a single source. Chartists selling also figured largely in the decline.

On the London sugar terminal market the October position ended £2.75 lower on the day at £185.90 a ton. Dealers said a 26,000 tons Mauritius tender was partly responsible for the fall but added that nervousness ahead of to-day's EEC selling tender and Egyptian buying tender were more significant factors.

The metals market was basically featureless with cash tin closing £20 down at £4,802.5 a tonne, cash zinc £2.75 down at £431.5 a tonne, cash copper wirebars unchanged at £920.5 a tonne and cash lead £1.5 higher at £287.75 a tonne. However, all base metals prices declined after the official close of the market.

A 5.7p decline in spot silver, which was fixed at 266p a troy ounce on the London bullion market, was attributed to the decline in gold and a 3.13m. oz. rise to 26.37m. oz. in London Metal Exchange silver stocks last week. The level of LME copper stocks rose 1,750 tonnes to 542,125 while tin stocks fell 810 tonnes to 3,770. Lead stocks were 1,300 tonnes up at 81,650 and zinc stocks 3,150 tonnes up at 84,075.

● In Accra, the Ghana Cocoa Marketing Board said purchases of 1976 mid-crop cocoa for the week ended July 15, the sixth week of the season, are estimated at 854 tons, reports Reuter.

WOOL MARKETS

New Zealand expects demand to stay firm

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S wool season ended with price at final sale reaching 184 cents—more than double the average price for the whole of last season. This perhaps more than anything else underlines the recovery in the wool market and the improvement in farm incomes for the New Zealand sheep farmer.

The average for 1975-76 season is 157.1 cents. This is a 71 per cent. increase over last season's average of 91.8 cents a kilo. The recovery in the wool price was helped by the devaluation of the New Zealand dollar last August and the weakening of the New Zealand dollar which has drifted a few points against the U.S. dollar, but nevertheless the end-of-season prices and average reflect the firming of the market which became progressively stronger each month as the season progressed.

Even more encouraging are indications that the opening price for the new season which opens next month will be well up on this season's closing price. Some wool authorities are forecasting an opening price of around 175 cents a kilo, but the more cautious point out much will depend upon the weather over the next two months.

They also point to the fact that this year New Zealand has experienced its worst winter for 50 years in many areas. This would affect the quantity of different types of wool offered.

Various factors apart from the NZ devaluation combined to create stronger demand and higher prices for wool this season and industry sources are confident these will carry over into the new season. Buoyant factors included.

● China returned to the NZ auction rings after a 12-month absence. This is the second time China has bought substantial quantities of wool then stayed out for a complete season before returning again with orders which push up prices.

● Easing of the economic recession in Europe and America coincided with the need by world wool industry to replenish stocks which had run down. It is believed that many buyers still have leeway to make up before the stock position is satisfied.

● The firm demand from the Middle East, particularly Iran, and renewed orders from Japan, Greece, Australia, The Continental members of the EEC, Yugoslavia, U.S. and Eire all bought more wool this season. In contrast exports to Britain and the USSR were down although some late buying may improve final export figures.

The constantly improving prices throughout the season were realised despite more wool going onto the market and production being higher than forecast. The NZ wool clip was up at least 5 per cent. to 312,000 tons. Final figures may show output up to 312,000 tons.

The increase of about 3 per cent. had been indicated but farmers did better than expected. The extra production was achieved without any noticeable increase in the sheep flock. Indeed the flock was actually slightly down in June when the national sheep census was taken. The main reason for the improved production was the large amount of second shear and pre-lambing shearing made possible by good growing conditions in the spring. More wool also went onto the market from the Wool Marketing Corporation's stockpile which has now been cut back to almost negilgible proportions.

The stockpile at the start of the season was 213,000 bales. At the end of the season only 50,000 bales were left.

Exports of NZ wool were up about 18 per cent. There was a big increase in private sales during the season with more than 300,000 bales—a jump of about 20 per cent.—by-passing the auction ring and being sold privately.

THE AUSTRALIAN wool clip forecasting committee's estimate of a fall from 746.5m. kilos in Australian wool production to 724.9m. in 1976-77 indicates prices will come under upward pressure, as world textile demand is increasing, the National Council of Wool Selling brokers of Australia said reports Reuter from Sydney.

Malaysian commodity cost rise likely

BY WONG SULONG

KUALA LUMPUR, July 19.

MALAYSIA EXPECTS favourable prices for rubber and tin to prevail during the period under the third Malaysia plan 1976-80, which was launched in Parliament, by the Prime Minister, Datuk Hussein Onn, to-day.

However, prices for palm oil are forecast to remain fairly static because of rapidly increasing world production, and strong competition from other oils and fats.

The plan estimates that rubber prices will average 80 cents Malaysian per pound for this year, rising to 84 cents in 1977, 93 cents in 1978, and then sliding back to 89 cents in 1979, and 84 cents by 1980. Rubber exports are projected to grow by 5.9 per cent. annually, from 1,417,000 tons last year to 1,888,000 tons by 1980.

The price of tin is expected to rise from an average of 16,469 ringgits a tonne this year, to 17,292 ringgits in 1977, 18,400 ringgits in 1978, and then slide to 18,300 ringgits in 1979 before settling at 18,000 ringgits by the end of the third plan. However, output is likely to remain around present levels of 77,000 tons unless new fields are brought into production.

The plan says oil palm will continue to be the growth leader in the agricultural sector, with exports of palm oil and kernel oil rising from 1,166,000 tons last year to 2,369,000 tons by 1980. However, prices are estimated to range from 850 to 1,000 ringgits a ton compared with 1,236 ringgits a ton last year.

Under the plan 1m. acres of land will be opened up for agriculture. The Federal Government agencies have been assigned the task of opening 450,000 acres, while the rest is to be developed by the State Governments and Private Sector.

Another 16 palm oil refining mills will be built in addition to the seven existing ones, to cater for the growing output from its land schemes.

The Government rubber purchasing agency, Mardec, will build another 25 rubber processing factories under the plan to serve 90,000 smallholders, covering over 280,000 acres.

Reflecting on the continual erosion of the importance of agriculture in the Malaysian economy, the agriculture sector is expected to generate 125,000 new jobs, or 17 per cent. of the total jobs, to be created under the plan. The sector contributed 25 per cent. of the jobs created under the second plan.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COCOA

COFFEE

RUBBER

SILVER

FREIGHTS

GRAINS

SUGAR

SOYABEAN MEAL

MEAT/VEGETABLES

WOOL FUTURES

JUTE

PALM OIL

COTTON

PRICE CHANGES

Prices per ton unless otherwise stated

	July 19 1976	+ or —	Month ago
Metals			
Aluminium (u)	£526.5		£446
Free Market (cif)	$850-870		£500-515
Copper			
Cash Wire Bars (u)	£920.5		£881.5
3 months do. do. (u)	£955.2		£913.5
Cash Cathode (u)	£909.5	—5.0	£872.5
3 months do. do. (u)	£943.5	—2.0	£904
Gold Troy oz.	$113.5	—3.625	$125.875
Lead Cash (u)	£287.75	+1.5	£269.75
3 months (u)	£285.75	+1.5	£280.125
Nickel (u)	£2,402		£2,776
Free Market (cif) (lb)	$2.08-2.18		$2.05-.22
Platinum (troy oz.)	£105		£97-105
Free Market	£92.4	—3.4	£84.1
Quicksilver (76 lb) (u)	$80-85		$83.88
Silver Troy oz.	266	—5.7	269.8
3 months	275.1	—5.5	278.1
Tin Cash (u)	£4,802.5	—20.0	£4,388
3 months (u)	£4,677.5	—7.5	£4,551
Wolfram 22.04 lb. cif	£62-65.5		£62-65.5
Zinc Cash (u)	£431.5	—2.75	£421
3 months (u)	£445.5	—2.75	£437.125
Producers (u)	$750		$795
Oils			
Coconut Malayan	[illegible]		[illegible]
Groundnut	£461		£419
Linseed Crude (u)	£417		£417
Palm Malayan (u)	[illegible]		£385
Soyabean (u)	[illegible]		[illegible]
Seeds			
Copra Philipp (u)	$340	—15.0	$345
Gr'nuts Nigerian	[illegible]		[illegible]
Linseed Can. No. 1	£203.85	+0.85	£194
Grains			
Barley EEC	£72		£71.5
Home Futures	£71.4	—0.85	£71.4
Maize			
French No. 3 Am.	£75	—0.75	£75
S.A. Yellow	[illegible]		[illegible]
Wheat			
No. 1 Red Spring	[illegible]		[illegible]
No. 2 Hard Winter	£94.5	—0.25	[illegible]
Australian (f.a.q.)	[illegible]		[illegible]
English Milling	£76	—1.5	£80
Cocoa shipment (u)	£1,277		£1,317
Futures Sept.	£1,154	—38.25	£1,184
Coffee shipment (c)	[illegible]		[illegible]
Futures Sept. (u)	£1,114	—107.5	£1,585.5
Cotton 'A' Index	89.85	—0.7	82.05

U.S. Markets

Sharp falls continue in grains

SOYABEANS and products finished limit down on speculative selling touching Commission House stops. Silver closed at limit down with Commission House and trade selling following grains. Coffee closed offered at limit down following London. Gold closed sharply lower on speculative liquidation. Sugar finished lower on Commission House liquidation, Bache, reports.

Cocoa—Ghana spot 102 nom. (106). Bahia spot 94½ nom. (98). July 89.90 (93.45), Sept. 87.15 (91.15), Dec. 84.40, March 81.40, May 78.70, July 73.75, Sept. 72.90, Dec. 69.25. Sales: 1,664.

Coffee—"C" Contract: July 123.35 (126.00), Sept. 123.35 asked (126.35), Dec. 121.15 asked, March 118.30 asked, May 118.05 bid, July 118.00 asked. Sales: 112.

Copper—July 72.90 (74.70), Aug. 73.20 (75.00), Sept. 73.80, Dec. 75.30, Jan. 76.10, March 77.30, May 78.30, July 79.10. Sales: 8,156.

Cotton—No. 2: Oct. 80.43 asked (83.43), Dec. 77.21 asked (79.21), March 78.50, May 75.20-75.35, July 73.75-73.90, Oct. 68.35-68.40, Dec. 64.55-64.70. Sales: 580.

ΦGold—July 112.30 (117.60), Aug. 112.60 (117.90), Sept. 113.10, Oct. 113.60, Dec. 114.60, Feb. 15.70, April 116.90, June 118.10, Aug. 119.30, Oct. 120.60. Sales: 3,532.

Greasewool—Spot 17.90 nom. (same). Oct. 16.00-18.30 (17.90), Dec. 17.50-18.30 (18.00), March 18.00-18.40. May unquoted.

†Lard—Chicago loose 22.50 nom. (same). NY prime steam 24.00 nom. (same).

††Maize—July 298-300 (303½). Sept. 290½-291 (298½), Dec. 281½-282, March 291-291½, May 296½-297, July 302-303.

‡Platinum—Oct. 164.00 (174.00), Jan. 167.30 (177.30), April 170.60, July 174.00, Oct. 178.00. Sales: 2,076.

‡‡Silver—Spot 462 (479.50). July 454.30 (476.70), Aug. 457.90 (477.90), Sept. 460.40, Dec. 466.00, Jan. 466.20, March 472.70, May 477.40, July 482.20, Sept. 487.00. Sales: 10,000.

*Soyabeans—July 681 asked (701), Aug. 690 asked (700), Sept. 683½ asked, Nov. 683½-693½ asked, Jan. 698 asked, March 702½ asked, May 703 asked, July 703 asked.

bSoyabean Meal—July 186.00-185.50 (197.00), Aug. 186.50 asked (196.50), Sept. 189.30 asked, Oct. 190.50 asked, Dec. 191.30-191.30 asked, Jan. 192.00 asked, March 193.35 asked, May 195.20 asked, July 196.50 asked.

Soyabean Oil—July 21.40-21.45 (22.63), Aug. 21.82 asked (22.62), Sept. 21.77 asked, Oct. 21.80 asked, Dec. 22.02 asked, Jan. 22.05 asked, March 22.17 asked, May 22.23 asked, July 22.25 asked.

Sugar—No. 11. Spot 12.66 (12.88). Sept. 12.79-12.80 (12.98), Oct. 13.15-13.22 (13.42), Jan. 13.45 nom., March 13.57-13.65, May 13.60-13.61, July 13.66 nom., Sept. 13.52-13.60, Oct. 13.50-13.60. Sales: 5,009.

Tin—387.00-389.50 asked (388.00-391.00 asked).

**Wheat—July 350 (359). Sept. 356-357 (365½), Dec. 370-371, March 382, May 387½, July 390.

WINNIPEG, July 19. ††Rye—July 287½ bid (302 bid), Oct. 283-283½ bid (288-293 bid), Nov. 288½, Dec. 282-283 bid.

cOats—July 148 (147 bid), Oct. 142 asked (148 asked), Dec. 141.

§Barley—July 216½ (221½ bid), Oct. 213-213½ (218 asked), Dec. 213½.

dFlaxseed—July 729½ bid (753½ bid), Oct. 740½ bid (770 bid), Nov. 739 asked, Dec. 738½ asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 460¾ (470½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

INDEX 01-351 3466 GOLD 111⅞-114¼

STOCK EXCHANGE REPORT

Golds weaken afresh and equity leaders drift lower

Share index down 3.2 at 387.8—Short Gilts react

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 28	July 8	July 9	July 20
July 12	July 22	July 23	Aug. 3
July 26	Aug. 5	Aug. 6	Aug. 17

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Continued weakness in the bullion price, which fell $3.625 further to $113.50 per ounce, prompted another setback in Gold Mining shares yesterday. Nevertheless, trade was more two-way than of late and, after a bout of selling from the Continent and the Cape, "cheap" buyers appeared and left closing levels above the day's worst. The Gold Mines index lost 6.2 more to 115.8, for a loss of 24.5 since the result of the second of the IMF gold sales last Wednesday.

Elsewhere in stock markets, bid situations, both rumoured and actual, provided the main highlights of an otherwise rather drab day. Underlying sentiment in leading equities was not helped by uncertainty about the expected further cut-back in public expenditure. However, after drifting lower on lack of demand, prices rallied a few pence in the afternoon following the Index of basic wage rates for the end of June which were deemed to be encouraging. Down 4.1 at its lowest of the day at 11 a.m., the FT 30-share index rallied to close 3.2 down on balance at 387.8.

Short Gilts sold

Apart from features mainly arising from bid speculation, the overall trend in secondary issues was downwards. Falls led rises by 5-2 in FT-quoted Industrials, while the FT-Actuaries All-Share Index gave up 0.5 per cent. to 160.08. There was a further small increase in activity as measured by official markings of 5,108, compared with 5,000 last Friday.

Short-dated Gilt-edged stocks came under selling pressure yesterday. Doubts about whether the eventual figure for the expected cut-back in public expenditure will be enough to satisfy foreign holders of sterling prompted the reaction which left prices with falls ranging to ¼, Electric 4¼ per cent., 1974-79, being that amount down at 88. In marked contrast, mediums and longs held steady after a quiet day's trading. The Government Securities index eased 0.06 to 62.63.

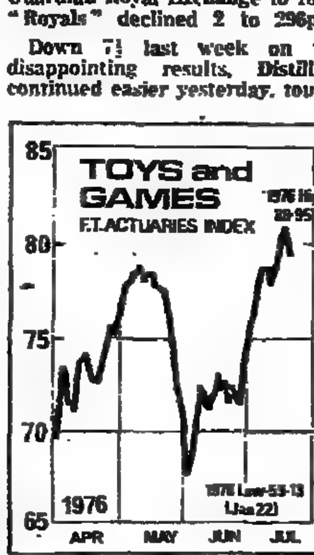
Small institutional demand for investment currency brought an initial recovery to 108¾ per cent. in the premium, but subsequent selling from arbitrage sources caused a reaction to 106⅝ per cent., down ⅞ on the day. Yesterday's SE conversion factor was 0.7035 (0.7066).

Big four easier

This week, which takes in the opening of the big four clearing banks' interim dividend season when Lloyds and Midland report on Friday, got off to a very sedate start yesterday. Buyers were slow to come forward and as the day progressed, prices drifted gently lower. Lloyds ended 3 off at 230p as did Midland at 275p, while National Westminster (interim due July 27) closed similarly easier at 235p. Barclays were unaltered at 283p. Overseas issues closed easier for choice, with Bank of New South Wales dull at 360p, down 20. Australia and New Zealand gave up 3 to 470p as did Commercial Bank of Australia to 275p, the latter's results are expected on Thursday. Discounts eased in places with Allen Harvey and Ross 10 lower at 360p in a thin market. Union, with interim results due to-morrow, held steady at 325p. Press comment on the interim figures brought about a fractional reaction to 2p in First National Finance. Compagnie Bancaire came on offer at £44, down 4 points.

With the exception of General Accident, which hardened a penny to 163p, Composites drifted lower on lack of support. Commercial Union gave up 3 to 125p as did Guardian Royal Exchange to 189p. "Royals" declined 2 to 296p.

Down 7½ last week on the disappointing results, Distillers continued easier yesterday, touching a 1976 low of 133p before closing a shade lower on balance at 133½p. Breweries displayed no set trend after a small trade. Arthur Guinness shed 2 to 132p and Bass Charrington eased a penny to 105p, but Buckleys were wanted at 34p, up 3.



H. and R. Johnson-Richard Tiles were finally 16 off at 204p, after 198p, on disappointment with the preliminary figures. Lafarge S.A. lost 3½ points at £34, while A.P. Cement, 158p, G. Dew, 83p, and Tarmac, 146p, all finished 3 easier. Montague L. Meyer closed a penny off at 69p following results which were in line with market expectations. Aberdeen Construction moved up 3 to 67p with the help of contract news, while F.C. Construction hardened 2½ to 81½p on the company's statement that they are involved in talks which may lead to a counterbid to the Norwest Holst offer. Among smaller-priced issues, Greaves Organisation firmed 1½ to 12p.

ICI ended 2 off at 367p, after 365p. Elsewhere in Chemicals, reflecting Overseas advices, Hoechst were lowered by 18 to 458p.

House of Fraser firm

House of Fraser featured Stores, rising 3 to 87p in active trading. Burton 'A' hardened a penny to 45p, but Marks and Spencer, 105p, and UDS, 71p, both closed without alteration. Among secondary issues, Vernon Fashion were quoted 3 easier at 31p ex the "rights" issue, while the new nil-paid shares opened at 13½p premium and closed at 10p premium following a quiet trade. W. H. Smith 'A' reacted 4 to 358p, but Lee Cooper contrasted with a rise of 5 to 115p. Higher interim figures took Status Discount up a penny to 44p. Alfred Preedy, however, made no apparent response to the preliminary figures and closed unchanged at 36p. Stylo continued firmly in Shoes, hardening 1½ more to 22½p for a two-day gain of 5p.

Electrical leaders continued to experience very quiet trading and generally closed a shade easier. Philips' Lamp, however, stood out with a loss of 20 to 886p on investment premium and Amsterdam influences. EMI shed 2 to 232p, while Plessey, with first-quarter results due Thursday, were a penny cheaper at 78p. Elsewhere, Normand Electrical improved 3 to 33p and George Sturla a penny to 9p, but Farnell Electronics shed 3 to 84p. The half-time statement left Dewhurst and Partner "A" unmoved at 9½p.

Little interest developed for the Engineering majors, which drifted gently lower. After last Friday's fall of 6, Tube Investments gave up 2 more to 328p, while Hawker lost 4 to 446p and falls of 3 were seen in John Brown, 107p, and GKN, 311p. Elsewhere, A Cohen claimed attention when Press comment highlighting bid possibilities led to further speculative buying and, the shares touched a 1976 peak of 160p before closing 13 higher on the day at 153p. Edgar Allen Balfour hardened 2 to 72p after a Press mention and Hall Thermotank (interim due next Monday) improved a penny to 79p. Bronx put on 4 to 74p and Weyburn revived with an improvement of 2 to 335p. Burgess Products, however, gave up 3 to 20p as did Simon to 129p. Shipbuilders were easier, with Yarrow 2 off at 178p. Vosper Thornycroft held steady at 78p awaiting to-morrow's interim figures.

Manbre and Garton continued to attract a considerable amount of speculative interest before closing 10 cheaper at 168p, after 166p, on profit-taking in the absence of the expected bid from Tate and Lyle (unchanged at 240p). Rowntree Mackintosh were quoted 5 easier at 204p ex the "rights" issue, while the new nil-paid shares opened at 31p premium and closed at 25p premium. F. J. Wallis reacted 4 to 41p on fading bid hopes, while other dull spots included Lockwoods, 5 easier at 65p. Hotels and Caterers had Ladbroke 2½ easier at 97p following the share-exchange alternative for Perry Barr.

Rank recede

Despite half-time results considered satisfactory, Rank Organisation receded 8 to 168p due to the existence of a small bull position in the shares. Other miscellaneous Industrial leaders drifted slightly easier in extremely quiet trading. Reckitt and Colman lost 4 to 351p and Glaxo 3 to 400p. Elsewhere, "after-hours" news that agreement has been reached on a 205p cash offer from Tanganyika Concessions (4 better at 168p) brought a fresh advance of 38 to 198p in Elbar Industrial. Royal Sovereign, after having already moved ahead to 52p on speculative buying, rose further to 57p for an overall advance of 16 on news that talks are being held which may lead to a bid from Dickinson Robinson, 2 easier at 107p. Hoover "A" were also in firm vein, adding 6 at 283p, while Ozalid hardened 3 to 113p. In contrast, Pilkington declined 3 to 323p, with U.K. Optical losing 4 to 163p in sympathy. Initial Services declined 3 to 56p, making a two-day fall of 6½ on the second-half profits contraction. Denbyware receded 5 to 116p, while the half-year report left Coral Leisure a shade down at 110p. Renwick Group eased a penny to 17p awaiting the annual results.

Motors and Distributors had a couple of minor features in Mann and Overton and Lyon and Lyon both of which closed 5 better at 52p and 32p respectively following small buying in thin markets. Arlington Motor contrasted with a fall of 2 to 85p on the reduced earnings.

Newspapers and Papers, for the most part, were idle and little changed. Wilson Bros. hardened 1½ to 19½p and Bemrose moved up 2 to 84p. On a dull note, Mills and Allen, at 34p, gave up 2 of Friday's speculative rise of 6.

BP steadier

After last Friday's fall of 21 on renewed nervousness about the Alaskan pipeline, British Petroleum suffered a further decline to 585p in the early stages before closing just 2 down at 590p following a fairly large turnover. The other Oil majors saw little trade with prices hardly stirring. Overseas issues often closed on a dull note. Australians had Weeks Natural Resources down 5 at 75p and Associated Australian Resources 4 cheaper at 116p while, among Canadians, Ranger shed ⅛ to £13⅞.

Idle conditions persisted in leading Properties, which generally closed a shade easier. Land Securities, 169p, and British Land, 33p, were both about 2 cheaper. Secondary issues were also inclined to soften, although Property Holding and Investment managed to harden 3 to 243p. Still reflecting some disappointment with the £8m. of property sales news, Regional Properties, 39p, and "A," 38p, both reacted about 3 more.

Overseas Traders showed scattered losses, but a bright spot was provided by Ocean Wilsons, which closed 5 higher at 128p, after 130p, on speculative buying. Inchcape, holders of a 15 per cent. stake in the former, contrasted with a loss of 4 at 396p. S. and W. Berisford, 155p, relinquished 4 of the recent improvement, while Lonrho closed 3 easier at 70p.

Features were few and far between in Trusts and Financials, where small selling orders sent prices lower. Robeco sub-shares lost 7 to 575p and Rolinco sub-shares receded 8 to 442p, while Argo Investments shed 5 to 145p. Stockjobbers — Akroyd and Smithers cheapened 2 to 184p as did Charterhouse to 42p.

A firm market last week on speculation that its Atlantic drilling rigs will soon find employment, Reardon Smith eased a shade yesterday as interest waned, the Ordinary and "A" shares closing a penny off at 212p and 67p respectively. Furness Withy gave up 3 to 185p and P & O Deferred were 3 down at 107p. "Lofs" resisted the trend and hardened ½ to 34½p.

A mixed trend was evident in Textiles following a small turnover. John Bright, 34p, S. Jerome, 48p, and Wood Bastow, 66p, all improved 2. Textured Jersey hardened a penny to 18p: the results are due on Friday. Courtaulds, on the other hand, receded a penny to 133p and Radley Fashions were 3 off at 27p.

Bats failed to attract much interest in front of today's interim figures and closed unaltered at 380p. Imps drifted down a penny to 79p.

South African Industrials remained out of favour. Tiger Oats declined 20 to 440p, while losses of around 15 were sustained by Anglo-American Industrial, 305p, and Hulett's Corporation, 146p. Abercom Investments fell 8 more to 150p. Province Ceylon Tea were marked up 2 to 10p to match the bid terms offered by Anglo-Indonesian (2 lower at 48p).

Golds fall afresh

The fresh decline in the bullion price, which was finally $3.625 down at $113.50 per ounce after trading at around $112.50 during the early afternoon, caused a further sharp setback in prices of South African Gold shares.

After opening modestly steady, they were subsequently marked down substantially. Cape, Continental and local selling in a market reluctant to take stock pushed prices even lower until small "cheap" buying in late dealings left them marginally above the day's worst. The Mines index fell a furthe[r]
115.8—its lowest since M[...]
1973, and not 1972 as st[...]
week.

Losses in the heav[...]
ranged to £1½ in Ran[...]
(£16¼), with falls of 1 r[...]
by West Driefontein (£1[...]
Western Holdings (£13½).
lower priced issues, Kin[...]
lower at 190p) were also[...]
by news of an outbreak[...]
fighting at the mine on[...]

Financials mirrored[...]
Falls of 10 were seen i[...]
American (235p) and UC[...]
ments (180p) while [...]
gave up a half-point[...]
Charter were unchanged[...]
in front of to-day's meeti[...]

Platinums responded to[...]
able Press comment w[...]
sulted from Friday's Ru[...]
producer platinum price[...]
$15 to $180 per ounce. [...]
rust rose 3 to 153p and[...]
to 148p. Coppers, howe[...]
modestly easier. In[...]
sideration of the sharply[...]
dividend left Ayer H[...]
higher at 290p, after a [...]
of 295p.

Australians reacted t[...]
taking in line with the[...]
overnight home markets.[...]
Mining were 7 lower at[...]
the other hand, Whir[...]
jumped 10 to 75p owin[...]
Irish demand.

Elsewhere, after openir[...]
at 800p, Murchison reac[...]
close unchanged at 830p f[...]
the U.K. antimony price[...]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Monday, July 19, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 35%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 35%	Est. P/E Ratio (nil) Corp. Tax 35%	Friday July 16 Index No.	Thurs. July 15 Index No.	Wed. July 14 Index No.	Tues. July 13 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	146.16	−0.7	16.30	6.22	9.25	9.16	147.21	146.89	146.34	145.48	110.34	160.06 (21/4)	137.18 (2/6)	206.37 (4/5/72)	50.17 (13/12/74)
2	Building Materials (30)	127.65	−1.1	15.55	7.24	9.75	9.75	129.05	128.85	128.83	129.06	94.06	150.18 (15/1)	121.77 (22/6)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	188.12	−0.3	20.44	5.86	7.72	7.72	188.90	188.45	187.42	187.45	201.22	260.20 (15/1)	184.29 (29/6)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	276.36	−0.6	16.91	4.80	9.58	9.12	277.81	276.47	273.15	271.25	205.45	287.30 (21/4)	245.72 (2/6)	360.04 (4/6/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	178.15	−1.5	22.86	6.81	7.01	7.01	180.47	181.92	180.17	177.47	133.69	195.10 (3/6)	161.88 (2/6)	202.57 (6/6/73)	94.43 (1/2/76)
6	Engineering (General) (63)	135.29	−0.8	15.91	6.62	9.32	9.32	136.33	136.28	135.08	135.06	95.69	149.29 (3/5)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	59.76	−0.7	17.55	7.41	8.57	8.55	60.17	60.09	59.72	59.52	58.90	60.62 (3/6)	51.19 (5/1)	156.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	133.08	−0.5	14.52	6.41	10.85	10.34	133.78	132.62	131.61	131.49	102.41	141.94 (11/6)	121.63 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	126.64	−0.4	16.49	5.45	9.07	9.04	127.00	127.12	125.37	124.66	82.75	141.46 (21/4)	116.86 (2/6)	227.78 (21/4/72)	38.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	138.28	−0.7	14.65	4.17	10.04	10.02	139.20	139.25	136.70	136.43	96.45	160.35 (7/4)	128.75 (2/6)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (13)	161.41	−0.5	18.98	7.44	8.05	8.01	160.98	159.10	157.89	157.15	127.50	167.22 (7/4)	155.57 (12/7)	265.29 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	80.55	−0.3	18.30	5.59	8.37	8.34	80.78	81.28	80.51	79.61	43.76	85.16 (3/6)	70.05 (5/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	148.15	−0.5	14.28	6.17	10.62	10.47	149.92	149.75	148.70	147.91	121.15	162.34 (4/2)	138.95 (2/6)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	167.64	−0.7	13.81	6.79	10.84	10.84	168.82	168.25	167.50	167.71	135.78	179.43 (2/2)	147.99 (2/6)	261.67 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	168.95	−1.3	11.62	6.56	15.16	15.16	166.14	169.41	175.76	174.12	135.95	190.67 (6/6)	163.96 (19/7)	267.40 (13/7/72)	78.71 (13/12/74)
16	Entertainment, Catering (14)	176.08	−1.4	15.80	7.55	11.15	11.08	178.68	177.09	175.48	175.45	139.11	211.36 (4/3)	158.17 (2/6)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	161.18	−1.1	16.38	5.48	9.29	9.22	162.90	163.28	161.10	161.27	151.39	179.44 (11/6)	157.26 (2/6)	211.65 (15/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	154.91	−0.8	15.20	5.52	11.06	11.06	156.95	156.04	156.00	154.54	115.61	160.05 (12/1)	126.86 (2/6)	235.08 (16/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	178.98	—	11.66	5.85	13.15	13.15	178.91	178.91	178.05	177.64	126.52	184.54 (11/6)	157.01 (2/6)	250.29 (12/1/72)	55.06 (6/1/75)
20	Packaging and Paper (12)	105.22	−1.0	15.85	7.53	9.72	9.72	104.27	103.03	101.83	101.74	84.23	112.50 (25/2)	94.92 (2/6)	135.69 (26/4/72)	45.46 (6/1/75)
21	Stores (34)	122.61	+0.1	12.35	5.65	12.46	12.46	122.82	122.06	121.12	119.27	101.49	136.84 (2/2)	113.17 (2/6)	204.39 (18/8/72)	52.63 (6/1/75)
22	Textiles (23)	[illegible]	−0.1	10.19	7.46	14.18	11.66	154.10	153.74	152.15	151.35	120.52	185.19 (30/1)	141.90 (2/6)	253.78 (17/5/68)	62.66 (11/12/74)
23	Tobaccos (3)	230.76	−0.2	18.89	6.15	8.07	8.07	231.12	230.86	229.21	227.15	167.28	241.89 (3/6)	211.56 (5/3)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	79.25	−2.1	19.05	7.55	7.05	7.00	80.95	80.53	79.07	78.32	42.47	80.95 (16/7)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	217.45	−0.8	11.64	5.19	12.05	12.06	219.15	218.33	216.10	215.21	160.64	231.38 (3/6)	199.45 (6/1)	231.38 (3/6/76)	71.20 (1/12/74)
26	Office Equipment (9)	95.80	−0.2	12.12	5.45	11.97	11.97	96.02	96.27	94.45	94.95	81.16	100.18 (19/5)	85.09 (2/1)	246.06 (1/8/72)	45.34 (2/1/75)
27	Shipping (12)	382.45	−1.0	13.02	6.75	11.16	10.15	386.29	383.55	379.58	375.62	339.55	432.54 (30/1)	355.52 (19/3)	617.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	164.58	−0.7	14.59	7.36	10.25	10.24	165.61	155.14	154.26	154.08	127.72	172.98 (23/4)	148.45 (2/6)	258.83 (2/5/73)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	153.74	−0.6	14.42	6.07	10.35	10.24	154.70	154.42	153.04	152.66	120.82	165.38 (5/6)	143.68 (2/6)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	366.29	−0.2	12.01	4.60	9.62	8.91	366.87	366.61	360.66	360.06	282.70	395.84 (30/6)	331.34 (16/2)	431.65 (19/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	170.46	−0.6	14.04	5.84	10.23	10.01	171.44	171.83	170.16	169.76	123.71	183.00 (3/6)	161.90 (2/6)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	131.25	−0.4	—	5.69	—	—	131.83	131.85	131.07	130.25	121.00	153.46 (30/1)	118.52 (2/6)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	159.06	−0.8	19.47	6.32	7.90	7.90	160.82	160.76	157.97	157.51	128.41	192.16 (29/1)	146.38 (2/6)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	159.39	−0.7	—	8.69	—	—	160.52	161.14	161.14	161.23	149.09	186.52 (15/1)	147.90 (3/6)	293.13 (2/5/72)	61.40 (10/12/74)
35	Hire Purchase (5)	92.11	−0.1	—	7.06	—	—	92.19	92.19	91.16	91.01	93.91	132.10 (26/2)	89.16 (24/6)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	109.05	−0.7	—	6.55	—	—	109.84	109.26	109.59	108.75	102.27	129.46 (30/1)	96.91 (2/6)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	102.45	+0.4	—	6.86	—	—	102.05	101.66	101.82	100.65	97.54	119.76 (30/1)	92.03 (10/6)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	250.25	−0.6	9.86	4.42	14.99	14.99	251.59	252.30	251.58	249.44	190.19	276.90 (11/6)	218.25 (5/1)	276.90 (11/6/76)	65.86 (16/12/74)
39	Merchant Banks (16)	73.66	−0.4	—	7.59	—	—	73.90	74.89	73.77	73.52	81.30	93.83 (27/1)	69.72 (2/6)	278.57 (1/12/72)	31.21 (7/1/75)
40	Property (32)	171.56	−0.7	3.40	3.17	86.36	86.18	172.71	173.24	173.22	172.30	162.04	194.57 (30/1)	144.37 (2/6)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	70.06	−2.1	18.29	8.81	6.46	6.46	71.56	71.56	69.11	69.63	68.06	91.98 (5/2)	68.44 (2/7)	303.15 (1/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	151.85	−0.8	3.50	4.96	29.51	29.51	153.08	153.28	153.28	152.54	154.62	184.55 (30/1)	141.96 (2/6)	246.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	160.08	−0.5	—	5.77	—	—	160.95	161.25	159.87	159.37	131.31	172.64 (30/1)	150.59 (2/6)	228.18 (1/6/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	483.30	−0.4	9.38	5.78	15.56	14.21	485.24	484.56	479.97	476.35	406.20	523.40 (7/6)	404.67 (14/1)	555.37 (25/7/65)	84.68 (25/8/66)
45	Teas (8)	138.92	−0.4	30.35	8.53	4.47	4.32	139.41	140.36	140.85	141.34	102.96	142.45 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	228.93	−0.2	43.17	7.61	2.32	2.32	229.80	240.71	240.71	240.71	349.52	301.47 (7/1)	178.95 (5/4)	567.78 (12/7/73)	94.06 (29/4/62)
47	Mining Finance (11)	98.68	−2.8	10.72	5.11	10.50	10.42	101.52	105.26	104.25	105.33	130.18	119.77 (7/1)	86.18 (3/5)	175.90 (28/4/69)	66.51 (30/9/74)
48	Tins (8)	118.82	+1.5	10.84	7.63	13.84	13.14	117.35	116.76	114.07	114.18	92.94	118.82 (19/7)	86.09 (8/8)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	220.64	−1.2	15.03	4.68	8.66	8.64	223.31	223.98	224.44	223.14	210.63	254.47 (3/6)	217.63 (8/7)	254.47 (3/6/76)	97.37 (6/1/75)

	FIXED INTEREST	Monday, July 19: Index No.	Yield %	Friday July 16	Thurs. July 15	Wed. July 14	Tues. July 13	Monday July 12	Friday July 9	Thurs. July 8	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.96	13.95	13.94	13.94	13.93	13.93	13.91	13.91	13.87	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.17	13.23	49.20	49.24	49.06	49.07	49.10	49.12	[illegible]	50.52	53.45 (30/1)	47.56 (2/1)	118.42 (11/6/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	50.66	14.59	50.39	50.25	50.28	50.48	50.43	50.71	50.71	48.07	52.40 (21/6)	46.68 (2/1)	113.46 (25/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	49.26	14.05	49.50	49.45	49.45	50.15	50.15	50.15	50.06	46.25	51.28 (15/2)	45.43 (1/6)	114.41 (13/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	68.67	13.65	68.95	[illegible]	68.86	68.76	68.83	68.79	68.81	65.94	71.97 (2/2)	62.76 (2/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	[illegible]			
Office Equipment	16/1/70	[illegible]			
Industrial Group	31/12/70	[illegible]			
Miscellaneous Financial	31/12/70	[illegible]			
Food Manufacturing	29/12/67	[illegible]			

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 22p. A record of the indices [...] is obtainable from FT Business Enterprises [...] London, EC4 [...] † Redemption yield. FT-Actuaries indices are calculated by Exel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	17	367	−2	402	328
BP	£1	13	590	−2	685	575
Manbre & Garton	50p	11	168	−10	180	122
Lloyds Bank	£1	9	230	−3	266	205
Rowntree Mackintosh "New"	Nil/pd.	9	25*	—	31*	24*
Shell Transport	25p	8	432	—	463	378
Vernon Fashion "New"	Nil/pd.	8	10*	—	12*	10*
Cons. Gold Fields	25p	7	132	−4	220	146
GEC	25p	7	161	−1	188	142
MY Dart	10p	7	51	—	52	35
Rank Org.	25p	7	168	−8	185	142
Royal Insurance	25p	7	296	−2	352	266
Barclays Bank	£1	6	283	—	350	265
Courtaulds	25p	6	133	−1	169	122
Glaxo	50p	6	400	−3	422	357

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call Rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 3	Aug. 16	Oct. 28	Nov. 9
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sep. 1	Sep. 13	Nov. 25	Dec. 7

"Calls" were dealt in Burmah Oil, Peachey Property, European Ferries, London City and Westcliff, House of Fraser, Charterhall Finance, Trust Houses Forte, Geo. Wimpey and Country and District, while a "double" was arranged in Burmah Oil.

Industrials							
A. P. Cement	15	Guardian	18	Spillers	4	Shell	27
Assoc. Leisure	3	G.K.N.	25	Tesco	4	Ultramar	14
Barclays Bank	22	Hawker Sidd.	35	Thorn "A"	22		
Beecham	28	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	20	Unilever	38	Anglo-Amer.	50
Bowaters	16	"Imps"	7	Utd. Drapery	8	Charter Cons.	15
B.A.T.	30	I.C.L.	14	Vickers	16	Cons'h'll Fin.	4
British Leyland	5	Inveresk	7	Williams Hud'n	4	Cons. Gold	15
BOC Int.	6½	Legal & General	12	Woolworths	6	De Beers Def.	35
Burton 'A'	4½	Ladbroke	11			F. S. Geduld	350
Cadburys	5	Lloyds Bank	32	Property		Great Boulder	12
Courtaulds	11	"Lofs"	4	Brit. Land	3½	Hampton Areas	12
Debenhams	8	"Mams"	7	Cap. Counties	3	Hampton Prop.	4
Distillers	15	Marks & Spencer	8	E. P.	5	Rioof	100
Dunlop	7½	Midland Bank	22	Int. Europ.	7	Lonrho	9
Eagle Star	11	Nat'l West Bank	20	Land Securities	14	Loraine	55
E.M.I.	17	"Do" Warrants	8½	MEPC	3	Poseidon	55
Gen. Accident	12	P & O Dfd.	11	Peachey	5	Pres. Steyn	200
Gen. Electric	15	Plessey	7	Samuel Props.	4½	Rio T. Zinc	17
Glaxo	35	R.H.M.	6	Town & City	2½	Welkom	55
Grand Met.	7	Rank Org. 'A'	18			West Areas	40
G.U.S. 'A'	16	Reed Int'l	23	Oils		Western M'ng	18
		Rothmans	4	Brit. Petroleum	40		
		Slater Walker	4	Burmah Oil	4½		

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities bought a large amount of Treasury bills and local authority bills from the discount houses.

Banks carried forward surplus balances from Friday, but this was outweighed by a net market take-up of Treasury bills, an excess of revenue payments to the Exchequer over Government disbursements, and a rise in the note circulation.

Discount houses paid 11-11½ per cent. for secured call loans in the early part and closing balances were taken at 9⅞-10 per cent.

In the interbank market overnight loans opened at 11¼-11½ per cent. and eased to 10⅞-11 per cent. before rising to 11-11¼ per cent. and closing at 9⅞-10 per cent.

Rates in the table below are nominal in some cases.

July 19 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	9½-11¼	—	—	—	11½	9⅞-11¼	—	—	—
2 days notice	—	—	11-11⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	11⅛-11⅜	11⅛-11¼	—	11⅛-11½	—	11-11¼	—	—	—
One month	11¼-11⅛	11⅛-11⅜	11⅛-11¼	11⅛-10¾	11¼-11⅝	—	10¾-11	10¾-10⅞	11¼-11⅜	11¾-11⅞
Two months	11⅛-11⅜	11⅛-11¼	—	11¼-10¾	11⅜-11¾	—	10¾-10⅞	10⅞	11⅛-11⅜	11¾-11⅞
Three months	11⅜-11⅝	11⅜-11⅝	11¼-11⅝	11¼-10¾	11⅜-11¾	—	10¾	10⅞	11⅜-11⅝	11¾-11⅞
Six months	11⅞-11⅝	11⅜-11¾	11⅛-11⅜	11-10½	11⅞-12	—	—	—	10½-10⅞	11¾-11⅞
Nine months	11⅞-11⅝	11⅝-11¾	—	11⅛-11	11⅞	—	—	—	—	—
One year	11⅞-11⅝	11⅞-11¾	11⅞-11⅝	12-11⅝	12⅛	—	—	—	—	—
Two years	—	—	12⅛-12⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12-13¼ per cent.; four years 13¼-13½ per cent.; five years 13¼-13½ per cent. ⊕ Bank bill rates in table are buying rate for prime paper; buying rates for four-month bank bills 11 per cent.; four-month trade bills [...] per cent.; two-month [...] per cent. Approximate selling rate for one-month Treasury bills [...] per cent.; two-month [...] per cent. [...] Finance House Base Rates (published by the Finance Houses Association) 11 per cent. from July 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice [...] per cent. Clearing Bank Rates for lending [...] per cent. Treasury Bills: Average tender rates of discount [...] per cent.

FINANCIAL TIMES STOCK INDICE[S]

—	July 19	July 16	July 15	July 14	July 13	July 12
Government Secs.	62.63	62.69	62.64	62.55	62.59	62.64
Fixed Interest	62.29	62.25	62.24	62.42	62.42	62.40
Industrial Ordinary	387.8	391.0	395.3	389.1	389.5	386.4
Gold Mines	115.8	122.0	132.9	140.5	138.7	135.8
Ord. Div. Yield	5.69	5.65	5.61	5.65	5.64	5.68
Earnings Yld % (full)(a)	16.17	16.05	15.94	15.09	16.08	16.20
P/E Ratio (net) (a) (b)	9.19	9.26	9.33	9.24	9.24	9.18
Dealings marked	5,108	5,000	4,722	4,267	4,693	4,320
Equity turnover £m	—	49.09	53.19	40.58	40.06	30.20
Equity bargains total	—	12,143	12,115	11,906	12,567	12,215

10 a.m. 388.4. 11 a.m. 386.3. Noon 388.9. 1 p.m. 386.9. 2 p.m. 387.1. 3 p.m. 387.9.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.12.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (3/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.55 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	364.7 (2/6/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	115.8 (19/7/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVIT[Y]

—	July 19
Daily—	
Gilt-Edged	198.3
Industrials	165.7
Speculative	50.3
Totals	116.3
5-day Average	
Gilt-Edged	156.5
Industrials	155.6
Speculative	51.7
Totals	108.5

FT—ACTUARIES INDICES

—	July 16	July 15	July 14	July 13	July 12	July 9
Industrial Group	154.70	154.42	153.04	152.66	151.74	152.46
500 Shares	171.44	171.83	170.16	169.76	168.73	169.51
Div. Yield pc	5.81	5.79	5.84	5.85	5.88	5.86
P/E Ratio (net)	10.29	10.31	10.22	10.20	10.15	10.17
All Shares	160.95	161.25	159.87	159.37	158.26	158.75
Consols Yield pc	13.95	13.94	13.94	13.93	13.93	13.91

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (13)

CORPORATION LOANS (1)
Essex 5½pc 1975-77
BEERS (1)
Brown (M.)
STORES (1)
Lee Cooper
ENGINEERING (4)
Braithwaite — Cohen (A.)
Bronx Eng. — WGI
HOTELS (1)
Adda Int.
INDUSTRIALS (2)
Royal Sovereign — Elbar Inds.
MOTORS (2)
Hurst (C.) — Lyon & Lyon
MINES (3)
Whim Creek — Yukon Cons.
Ayer Hitam

NEW LOWS (47)

BANKS (2)
Trust Bk. Africa — Cie Bancaire
BEERS (1)
Distillers
BUILDINGS (1)
Magnet Southerns
CHEMICALS (2)
Ciba Geigy 7¼pcLn. — Hoechst
ELECTRICALS (3)
Pifco — Crellon
Do. 'A'
ENGINEERING (1)
Victor Prods.
HOTELS (1)
Borel (J.)
INDUSTRIALS (4)
Hamiltbourne — St. Gobain
Ovenstone — Stelux Manf.
PROPERTY (1)
Beaser (C. H.)
SOUTH AFRICANS (2)
Abercom — S.A. Breweries
TRUSTS (3)
City & Com. Cap. — M. & G. 2nd Inc.
London & Strathclyde
OVERSEAS TRADERS (1)
Lonrho
MINES (25)
Bracken — Venterspost
Grootvlei — West Drie.
Leslie — Western Areas
Winkelhaak — Western Deep
Buffels. — Zandpan
Deelkraal — Free State Geduld
Doornfontein — Pres. Steyn
East Drie. — St. Helena
Elandsrand — Welkom
Elsburg — Anglo Amer. Gold
Hartebeest — G.F.S.A.
Kloof Gold — Rand Selection
Libanon

RISES AND FALLS YESTERDAY

RISES AND FALLS YESTERDAY	Up	Down	Same
British Funds	0	21	37
Crpn. Dom. and Foreign Bonds	2	4	58
Industrials	133	346	1,234
Financial and Prop.	19	187	365
Oils	3	11	23
Plantation	1	9	32
Mines	17	71	58
Recent Issues	2	12	29
Totals	177	661	1,836

BASE LENDI[NG] RATES

Allied Irish Banks L[td.]
American Express Ba[nk]
Anglo-Portuguese Ba[nk]
Henry Ansbacher ...
Banco de Bilbao ......
Banco de Jerez ......
Bank of Cyprus ......
Bank of N.S.W. ......
Banque du Rhone S[.A.]
Barclays Bank ....
Barnett Christie Ltd.
Bremar Holdings Lt[d.]
Brit. Bank of Mid. Ea[st]
■ Brown Shipley ......
Canada Permanent A[...]
Cayzer, Bowater Co. L[td.]
Cedar Holdings ......
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank ...
Corinthian Securities
Credit Lyonnais ......
G. R. Dawes ....
Duncan Lawrie ......
English Transcont....
First London Secs.
■ Antony Gibbs ....
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank ......
■ Guinness Mahon ...
■ Hambros Bank ......
Hawtin & Partners
■ Hill Samuel ....
C. Hoare & Co. ......
Julian S. Hodge ......
Hongkong & Shangh[ai]
Industrial Bank of Sco[tland]
Keyser Ullmann ......
Knowsley & Co. L[td.]
Lloyds Bank
London & European
London Mercantile
Midland Bank ....
■ Samuel Montagu ...
■ Morgan Grenfell ...
National Westminst[er]
Northern Comm. Tr[ust]
Norwich General Tr[ust]
Portman Guaranty ...
P. S. Refson & Co.
Rossminster Accept[ances]
Schlesinger Limited
E. S. Schwab ....
Security Trust Co. L[td.]
Shenley Trust ....
Standard Chartered
Trade Development B[ank]
Twentieth Century B[ank]
United Bank of Kuw[ait]
Whiteaway Laidlaw
Williams & Glyn's ...
Yorkshire Bank ......

■ Members of the Accepti[ng Houses] Committee.
* 7-day deposits 6½%, 1-mon[th] 6¾%.
† 7-day deposits on sums of [...] under 6¾%, up to £25,000 [...] over £25,000 7¼%.
‡ Demand deposits 8%.
§ Call deposits over £1,000 [...]

CORAL INDEX

Close 385-390

INSURANCE [BASE] RATES

† Atlantic Assurance
Cannon Assurance ...
† Address shown under Insu[rance and] Property Bond table.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

[illegible]lection of the share prices previously shown under regional headings is [illegible]d below with quotations on London. Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish [illegible].

						IRISH		
[illegible]v. 20p	19	......	Higsons Brew.	93	......	Conv. 9% '80/82	[illegible]	......
[illegible]ning	34	......	I.O.M. Stm. £1	135	......	Alliance Gas	33	......
[illegible]	23	......	Holt (Jos.) 25p	235	......	Arnott	225	......
[illegible]st. 50p	137	......	Kleen-e-Ze	32	......	Carroll (P.J.)	105	......
[illegible]oft	30	......	Lovell's Ship £1	97	......	Clondalkin	44	......
[illegible]ose £1	350	......	N'thn. Goldsmith	86	......	Concrete Prods.	95	......
[illegible]A.)	17	......	P.M.A.	36	−1	Heiton (Hldgs.)	23	......
[illegible]e Hdy.	66	......	Pearce (C. H.)	85	......	Ind. News	40	......
[illegible]k. 10p.	23	......	Peel Mills	14	......	Ins. Corp.	165	......
[illegible]	11	......	RobbCaledon£1	50	−1	Irish Distillers	50	......
[illegible]e	46	......	Sayers 12½p	19	......	Irish Ropes	80	......
[illegible]g. 5p.	16½	......	Sheffield Brick	82	......	Jacob	63	......
[illegible]od 50p.	152§	......	Sheff. Refrshmt.	140	......	Sunbeam	11	......
[illegible]p. £1	315	......	Shiloh Spinn.	25	......	T.M.G.	70	......
[illegible]gh 10p	8	......	Sindall (Wm.)	50	......	Unidare	70	......

OFFSHORE AND OVERSEAS FUNDS

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

Wrld. Wide Gth. Fd.	$US12.58	+0.04	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey yield. # Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
98 5/8	98	Victory 4pc 1976‡‡	98	.....	4.04	—
101 15/32	99 3/16	Treasury 10½pc 1976‡‡	99 23/32	–1/32	10.51	10.59
98 5/32	95 1/32	Treasury 6¾pc 1977‡‡	97 3/16	–1/8	6.43	10.85
97 3/4	94½	Electric 3pc '74-77	96 1/8	–1/8	3.11	8.80
103 7/32	92 7/16	Treasury 11½pc '77‡‡	100¼	–1/8	11.47	11.16
95 3/8	91 7/8	Treasury 3pc '77‡‡	94 3/8	–1/8	3.18	7.52
95 5/8	92¼	Transport 4pc '72-77	94¾	–1/8	4.22	7.97
99 3/16	90½	Treasury 9pc 1978‡‡	96 5/8	–3/16	9.31	11.12
101½	97	Treasury 10½pc '78‡‡	99	–3/16	10.61	11.07
93 3/8	89 5/8	Exchequer 5pc '76-78‡‡	92	–1/8	5.43	9.09
103 31/32	97 7/8	Treasury 11½pc '79‡‡	99 11/16	–3/16	11.54	11.61
88 7/8	83 5/8	Treasury 3pc '79‡‡	87¼	–1/8	3.44	7.60
89 3/8	73 7/8	Electric 4¼pc '74-79	88	–1/8	4.83	8.62
100 3/32	94 7/8	Treasury 10½pc '79‡‡	96 11/16	–3/16	10.86	11.70
88¾	83 5/8	Electric 3½pc '76-79	87 1/8	–¼	4.02	7.98
96 21/32	90 3/8	Treasury 9pc 1980‡‡	92 3/8	–3/16	9.74	11.63
96½	91¼	Treasury 9½pc '80‡‡	92 13/16	–¼	10.24	11.87
86½	82¼	Treasury 3½pc '77-80	85 5/8	–¼	4.09	7.84
89½	71	Funding 5¼pc '78-80‡‡	88	–¼	5.97	8.95
103 3/16	96 11/16	Treasury 11½pc 1981‡‡	98 7/8xd	–3/32	11.63	11.81
86	79	Treasury 3½pc 1979-81	83 13/32xd	–3/16	4.18	7.77
95 5/8	90 1/8	Treasury 9¾pc 1981‡‡	91 13/32	–3/32	10.62	12.07

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 41½% (based on $1.7736 per £)

Conversion factor 0.7053 (0.7065)

CANADIANS

1976 High	Low	Stock	£	+ or –	Div. Gross	Cvr	Y'ld Gr's
*13 1/16	10½	Bk. Montreal $2	12 11/16	–3/16	$1.00	—	4.5
35 5/8	29 3/16	Bk. Nova Scot. $2	32 3/16	–1 1/8	$1.60	—	2.8
43¼	33¾	Bell Canada 25c	39½xd	–1/8	$3.44	—	5.0
23 5/8	12	Bow Valley‖	20 3/8	+7/8	10c	—	0.3
830p	800p	Brascan‖	800p	–30	s$1.00	—	7.1
29 3/16	19 3/16	Can. Imp. Bk. $2	20 3/16	–3/16	$1.28	—	3.6
16 1/16	10 7/8	Can. Pacific $5	14 7/8	–1/16	64½c	—	3.2
29 5/8	26½	Do 4pc Deb. £100	28	.....	4%	—	14.3
37 7/8	21 5/8	Gulf Oil Can ‖	23 7/8	–7/8	$1.00	—	2.4
670p	485p	Hawker Sid. Can.‖	490p	.....	36c	—	4.2
32¼	22	Hollinger $5	30¼	–5/8	$1.80	—	3.3
18	12 7/8	Hudson's Bay ‖	15 1/16	–¾	60c	—	2.2
34 5/8	26 3/8	Hud. B Oil G. $2½	32½	.....	$1.40	—	2.4
22¼	17	Imperial Oil‖	19	–1	80c	—	2.4
31¼	19½	Inco	28¼	–¾	$1.40	—	2.8
820p	660p	Int. Nat. Gas $1	770p	.....	80c	—	5.9
25½	16	Massey Ferg.‖	23½	–½	$1.00	—	2.4
27 5/8	20¼	Pacific Pet. $1	24	–½	80c	—	1.9
38½p	24p	Place Gas $1	31p	.....	—	—	—
29 1/16	22 5/8	Rio Algom	29	–¼	$1.00	—	2.0
25 1/16	20 11/16	Royal Bk. Can. $2	22 1/8	–3/16	$1.28	—	3.3
28 1/16	19 7/8	Seagram Co. C$1	20 3/16	–¼	80c	—	2.2
16 7/8	13 3/16	Tor. Dom. Bk. $1	14 3/16	–3/16	70c	—	2.8
11	830p	Trans. Can. Pipe 33½c	10¼	+1/8	88c	—	0.1
790p	680p	White Pass	735p	.....	♦35c	—	2.7

S.E. List Premium 41½% (based on $1.7298 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا اصل الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	340	Blyvoor 25	350	−10	Q75c	ϕ	18.5
£14	640	Buffels R1	640	−60	Q125c	ϕ	18.2
198	93	Deelkraal R0.20	93	−7	—	—	—
760	230	Doornfontein R1	230	−10	Q55c	ϕ	30.9
965	540	East Drie R1	540	−20	Q75c	1.7	9.0
280	155	Elandsrand Gld. 20c	155	−10	—	—	
190	80	Elsburg R1	80	−6	‡Q338c	1.0	27.3
£16½	925	Hartebeest R1	925	−25	Q190c	ϕ	15.0
695	340	Kloof Gold R1	340	−15	Q47c	ϕ	10.5
760	300	Libanon R1	300	−20	Q80c	ϕ	23.7
740	335	Southvaal 50c	550	−50	Q8c	1.3	1.5
245	138	Stilfontein 50c	138	−7	‡Q36c	2.2	12.2
£20½	£11¼	Vaal Reefs 50c	£11¼	......	‡Q175c	2.1	10.0
420	110	Venterspost R1	110	−12	‡Q70c	1.9	41.2
£35	£15¼	W. Drie R1	£15¼	−¼	Q335c	ϕ	20.6
315	120	Western Areas R1	120	−5	‡Q52c	1.4	28.0
£15¼	650	Western Deep R2	650	−30	‡Q147½c	1.6	14.7
290	176	Zandpan R1	176	−4	Q31½c	ϕ	13.1

O.F.S.

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	75	Free State Dev. 50c	90	......	Q14c	1.6	10.1
925	925	F.S. Geduld 50c	925	−100	‡Q330c	1.3	23.1
200	57	F.S. Saaiplaas R1	115	−10	Z6c	O	3.4
465	295	Harmony 50c	310	−10	Q65c	ϕ	16.1
195	70	Loraine R1	71	......	Q6c	0.5	5.5
£18½	950	Pres. Brand 50c	950	−75	‡Q250c	1.3	17.0
£13	580	Pres. Steyn 50c	580	−20	‡Q125c	2.2	13.9
925	900	St. Helena R1	925	......	‡Q250c	1.2	17.5
174	86	Unisel	88	−4	—	—	—
330	185	Welkom 50c	185	−5	‡Q55c	1.7	19.2
£25½	£13¾	W. Holdings 50c	£13¾	−¼	‡Q475c	1.2	22.3

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	42	Botswana RST R2	58	−2	—	—	—
335	170	Messina R0.50	248	−2	†Q35c	1.9	9.1

MISCELLANEOUS

1976 High	1976 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	8½	......	0.1	ϕ	2.0
39½	23	Charterhall 5p	28	......	—	—	—
990	580	Cons. Murch. 10c	830	......	†Q80c	1.8	6.2
55	28	Laurasia	36	......	—	—	—
455	245	Northgate C$1	340	−15	—	—	—
239	178	R.T.Z.	216	−3	5.42	2.1	3.9
112	83	Sabina Inds. C$1	100	−3	—	—	—
£15⅞	£10	Tara Exptn. $1	£14¾	......	—	—	—
90	65	Tehidy Minerals 10p	90	......	2.17	ϕ	3.7
143	84	Yukon Cons. C$1	143	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ◆ Regional price.
- ◆ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 16

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Tuesday July 20 1976

£1bn. cuts debate enters critical stage in Cabinet

BY RICHARD EVANS LOBBY EDITOR

THE DEBATE in the Cabinet to decide the detailed allocation of the £1bn. cuts proposed for next year entered its critical stage yesterday as Ministers discussed the budget of the big-spending Government Departments.

After a 3½-hour meeting in the morning the Cabinet was recalled in the evening in an effort for an early conclusion, but the idications were that several more meetings might be necessary.

A fifth meeting on the proposed cuts is to be held to-day and another is expected on Thursday. At least one more may be necessary next week before a statement to the Commons.

The intention is to hold a debate on the cuts for 1977-78 late next week, or in the week Parliament adjourns for the summer recess, and treat it as an issue of confidence to head off any threatened revolt by Left-wing Labour MPs.

As part of a remarkable "softening-up" exercise to prepare hostile party opinion for the statement, Mr. Denis Healey, Chancellor of the Exchequer, last night saw the Home Policy Committee of the party national executive at the Treasury, and to-day will once more hear the views of the full Parliamentary Labour Party. He may also have further talks with the leaders, who yesterday sent him written evidence of their opposition to the cuts.

The Home Policy Committee was led by Mr. Anthony Wedgwood Benn, the Energy Secretary, who was in a difficult position as a Cabinet Minister and as chairman of a committee deeply hostile to the Government's strategy.

Mr. Benn asked the Chancellor to make an opening statement but to his evident embarrassment Mr. Healey retorted that it was for Mr. Benn to make a statement about the critical research document endorsed by the committee last week. Rather than fall into the trap of supporting the document and therefore by implication opposing Cabinet policy, Mr. Benn claimed that the document spoke for itself.

By all accounts the Chancellor was remarkably quiet and restrained during the 50-minute meeting, except when Mr. Ian Mikardo put forward the case for import controls, and claimed that the EEC would not retaliate if the U.K. imposed them.

Mr. Healey suggested that EEC countries might act against importing Leyland cars and Mr. Mikardo said it would then be open to Britain to ban Fiats and Renaults.

When the Chancellor commented that that would mean a trade war, Mr. Mikardo flared up and shouted: "Don't put words into my mouth, Denis. You have done it before. You can do it to others but not to me."

Otherwise the meeting consisted of members of the committee, particularly Mrs. Barbara Castle and Mr. Eric Heffer, putting forward alternative economic strategies, but getting little or no response from the Chancellor.

Mr. Reg Prentice, Minister of Overseas Development, and Mr. Roy Mason, Defence Secretary, seem happier now than before the Cabinet review started.

Mr. Prentice has received backing for his contention that a Labour Government must maintain a reasonable level of aid for Third World, while Mr. Mason has argued that the Defence budget has no fat left on it. Any Defence cuts are likely to involve deferment of re-equipment programmes.

Roy Rogers, Labour correspondent, writes: The TUC yesterday underlined its policy of opposing the proposed cuts in principle, but not mounting any concrete opposition for fear of jeopardising both the social contract and the future of the Labour Government.

A two-hour meeting of the TUC Economic Committee set out the TUC view, sent by letter to Mr. Healey, in response to a phone call he made to Mr. Len Murray, TUC general secretary, at lunchtime.

It is clear the TUC leaders continue to question the need for the cuts and wish to disassociate themselves from these measures which the Chancellor has already warned could lead to a further 70,000 unemployed.

Healey's revision

BY PETER RIDDELL

MR. HEALEY is believed yesterday to have referred for the first time to revised estimates of the public-sector borrowing requirement. He apparently indicated that for 1976-1977 it might be about £500m. below the forecast of £12bn., and might fall to between £10bn. and £11bn. on unchanged policies in 1977-78.

Sucho estimates are likely to have been used as further evidence of the need for a sizeable cut in public spending in 1977-78 to reduce borrowing to more acceptable levels as recovery gathers strength.

The revised estimates must be tentative at this stage, with possible margin of error of as much as £1bn., either way, and the outcome on unchanged policies could be lower depending on the rate of economic recovery.

The key question is whether the forecast reduction in the public spending borrowing requirement, coupled with cuts of around £1bn., will be enough to meet conditions which might be required by the IMF on application for a further loan.

Fishermen spell out demands on limits

By Malcolm Rutherford

AS FOREIGN MINISTERS of the European Community met in Brussels to consider a Community declaration on 200-mile fishing limits, the British fishing industry yesterday repeated its demand for a 50-mile zone around the British coast reserved exclusively to Britain.

The industry also wants Britain to have full rights to devise and enforce a conservation policy covering the whole 200-mile zone off the British coast.

The effect of this demand, if accepted, would be to give Britain powers to restrict severely fishing by Community partners even in areas that would be known as Community waters.

Mr. Austen Laing, director-general of the British Trawlers' Federation, speaking on behalf of all the fishing industry's organisations, said that Britain would have to adopt a "de Gaulle approach" to the Community. If the British Government was going to make concessions to its partners elsewhere, they would have to be told that they must concede on fish.

There is no great optimism in the industry, however, that its demands will be met. The Government has already revealed its negotiating position as a call for an exclusive British zone that would vary between 12 and 50 miles from the British coast.

It has received no assurances so far that even this will be obtainable.

Changed situation

Under the Common Fisheries Policy Britain can restrict fishing within six miles of its coast until the end of 1982. If the policy were not then revised, Community vessels would be allowed to fish right up to the beaches.

The policy was formulated before the general move towards 200-mile limits and the British case is that the situation has now changed fundamentally.

According to industry sources, there are now fears that a number of important countries will follow the Icelandic example and declare their own 200-mile limits even before the end of this year.

These could include Canada, which has legislation ready for January 1, 1977, but could advance it, and the U.S., which is preparing to act on March 1. In this case, Norway would almost certainly follow suit.

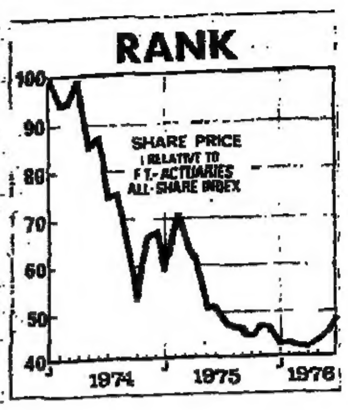
There would then be 200-mile zones in all the principal fishing zones in the North Atlantic except the EEC, unless the Community moves fast. There would also be a diversion of fishing to British waters.

Even if the Community reaches agreement in principle on the 200-mile zone in Brussels, it will still have to resolve the problems of divisions between Community and national waters, conservation policy and its enforcement, and negotiations with third parties.

THE LEX COLUMN

FASB 8 damper for Rank upturn

Index fell 3.2 to 387.8



Rank succeeded in confusing the market yet again last night, although this time it may not have been strictly its fault. Pre-tax profits for the first 28 weeks of £32.8m., up a sixth on a comparable basis, are roughly in line with expectations, but a tax charge of 60 per cent. has taken a significant toll at the net level, leaving earnings down from 8.1 to 6.9p a share. The shares dropped 8p to 168p. But on closer inspection the erratic influence of the American accounting standard FASB No. 8 (which has also caused difficulties for Shell) is revealed to be a troublesome factor. This very conservative method of accounting for fluctuations in exchange rates, now employed by Rank Xerox, has knocked £3.7m. off the pre-tax profits attributable to Rank, and since exchange losses are not allowable for tax, earnings have suffered by £3.2m., or nearly 2p a share. Nor is that quite the whole story on the tax side, for Rank itself has suffered a charge of almost £1m. although, excluding associates, it has made a pre-tax loss of £2m.

In the remainder of the year some of these effects may be reduced, although the movements of exchange rates around the October year-end will have considerable influence. At least the Xerox side is showing satisfactory underlying progress and should not suffer a repeat of the year-end write-downs in 1974-75. Among the non-Xerox interests Rank Precision Industries has improved £1.7m. so far this year, an uptrend which continues. Rank Radio has missed its breakeven target, but it will have to perform very badly if it is not to improve greatly on last year's £11.7m. loss. And in the final 24 weeks seasonal interests like Butlin's swing heavily into the black.

So barring upsets Rank should get to the right side of £70m. pre-tax for the full year, which on a normal tax charge would give 18p a share earnings. A prospective p/e of just over 9 on this basis does not make the shares an obvious bargain when liquidity questions remain to be answered (and exchange losses were £4m. outside RX in the first half) but in the context of management changes there is scope for the gradual relative price recovery to continue.

See also Page 17

RIT

Last year, MEPC wrote its investment in the Brussels Manhattan Centre down by about half to roughly £10m.—and it has the best bits. Now Rothschild Investment Trust is writing its stake in the same project off altogether, which accounts for most of this year's £9.4m. provision against continental properties. As a result, the book cost of overseas property assets is £13.7m. whereas foreign currency liabilities total £21.5m.

But the picture is not as bleak as all that. If its investment in an offshore fund is included at market prices, RIT's overseas assets comfortably exceed its liabilities. And it has the liquidity in sterling to repay the loans if a practical way can be found to do so. At the same time, it has substantially reduced its holdings of gold coins and of gold shares so the performance of the rest of the portfolio is better than might have been expected. In fact its net assets emerge in line with one broker's estimates despite the property write-down, and the discount of 35 per cent. is still a little larger than the sector average.

However RIT has no role to play with this kind of rating, and since its managers are not primarily in the investment trust business there is an obvious case for some radical action. With around £14m. of unquoted investments and £18m. of properties, it might be tricky to liquidate or unitise the fund. But there should now be a sense of urgency about the search for some other route.

A final point: MEPC says that its Manhattan provisions should prove to be more than adequate.

See also Page 16

Montague Meyer

Montague Meyer's profits for 1975-76 are £1.1m. higher at £8.1m. pre-tax. The gro obvious beneficiary of Price Code's new stock ing proposals allowing to LIFO, its earnings a to move up very sma year and the shar jumped a fifth this mor

But demand is still deciding just how advantage to take of t concessions is going headache for Meyer. acquisitions, sales ro £70m. to £80m. over halves of 1975-76 whic very little growth in terms.

Last year the Crosby operations lost some £0.8m. and it will sta red for 1976-77. So Hallam, but MacMillan is now making money two associates lost £1m. last year—whil year of the Keizer acquisition could be much as £1m. after costs. Yet with timb rising sharply since De softwoods, up 40 per c led the recovery with declining and merch stocking—Meyer is aga on a huge stock windfa profits back up above pre-tax of 1973-74. On the prospective p/e w be around 5½: mean shares at 69p yield 8.4 covered 2.4 times by on average capital.

See also Page

Grendon Trust

The unexplained fe the brouhaha at Gren is why it happened at some months of discu posals were put fo redeem the unsecured on terms which—from start—seemed bound booted out by the mar Only at the last min compromise been whereby on top of the offered for each £100 holders are also bein £20 of subordinated repayable in 1976/81.

This will probably to assuage Morgan Gr Robert Fleming, wh them represent holder cent. of the stock. S as though Monotype tion, Grendon's larg asset, lives on and K mans—which is pro necessary £2¼m. cash still has a chance of some small part of sums which it has m ten off in respect of

Rothschild writes off Brussels investment

By Michael Cassell

ROTHSCHILD Investment Trust has decided to write off its investment in the troublesome Manhattan Centre shops and offices complex near the centre of Brussels.

Mr. Jacob Rothschild, chairman of RIT, who was announcing a rise in group pre-tax profits from £3.0m. to £3.2m., said the failure of the centre represented "a disaster." Because of uncertainties attached to the property it had been decided to write the company's investment down to nil.

The decision means RIT's involvement with the Manhattan complex led to a total write-down in the last year of £8.6m.

RIT has at the same time written down the value of its other Continental properties to the values placed on them in June by Jones Lang Wootton.

In terms of net asset value the reductions in the company's property investments in Europe amount to £9.38m. A provision of £2.5m. was reflected in the net asset value calculation at March 31, 1975, making a total reduction of £11.88m.

Mr. Rothschild said since RIT purchased its share of the complex — almost exclusively shop premises—towards the end of 1973, only one or two small lettings had been made.

"We have not stopped in our attempts to negotiate lettings but it has been extremely difficult. We imagined the centre of gravity in Brussels would move towards the Manhattan complex but it has not happened. The problem of location and delays with the new metro have combined to make a very difficult situation."

Mr. Rothschild said the company would continue with its efforts to increase lettings. It kept an open mind on the prospects for its continuing involvement with the complex.

MEPC, which owns most of the centre's office space, says its experiences have been more encouraging and about 40 per cent. of its space has been let. Although the letting market remains weak some progress is being made with the remainder.

Results, Page 16

Retail sales still show no sustained recovery

BY OUR ECONOMICS STAFF

THE TREND of retail sales now shows little change despite sharp fluctuations from month to month.

The index of retail sales rose by just over 1 per cent. to 107 in June (1971 = 100, seasonally adjusted), according to the Department of Industry's provisional estimate published yesterday.

The recovery is, however, from a depressed level in the previous month which followed the temporary boost to sales in April produced by the Budget changes. A better guide is provided by taking an average of April and May which comes out at fractionally above the June figure.

The dull overall trend despite the various temporary distortions caused by buoyant sales in January and April is suggested by the fact that the volume of sales was virtually the same in both the first and second quarters (nearly 1½ per cent. higher than in the second half of last year).

RETAIL SALES VOLUME
(Seasonally adjusted)

		1971=100
1975	1st	111.3
	2nd	108.9
	3rd	105.5
	4th	105.8
1976	1st	107.3
	2nd	107.1*
	April	108.5
	May	105.7
	June	107 *

* provisional
Source: Department of Industry

A sustained recovery certainly does not appear to be under way at present and the Retail Consortium is not expecting one to occur over the next 12 months even though short-term boosts to activity may be provided by the tax rebates later in the summer and by the pension rises in the winter.

Variations

The Consortium points out that "trading-down" is continuing and that it does not see any basic revival in consumer confidence yet, particularly with current levels of unemployment.

Variations are occurring between sectors and the "summer sales" season appeals to have helped clothing and footwear activity, even on a seasonally adjusted basis, and there has apparently been a small rise in food and consumer durable shops' sales.

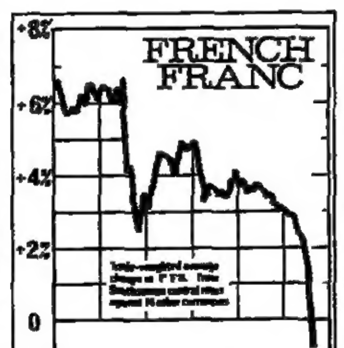
Sales increased by 13 per cent. in value in June compared with 12 months earlier.

French franc continues decline to 3% over past ten days

BY RUPERT CORNWELL

PARIS, July 19.

THE FRENCH FRANC slipped almost 1 per cent. further on the Paris foreign exchange market to-day, bringing its decline to over 3 per cent. against other leading currencies in ten days, and to over 8 per cent. since it left the EEC snake of floating currencies last March.



It stands at its lowest level against both dollar and D-Mark for two years. The psychologically important point of Frs.2 for Sw.Frs.1 has been breached, while the pound has climbed 3 per cent., to Frs.8.76, since July 9.

The movement has been watched with feigned calm by the French Government, and only minimal Bank of France intervention was reported to-day. The signs are growing, however, that the franc's weakness is hastening a major reappraisal of the country's economic policy.

After opening at about Frs.4.90 to the dollar this morning, the French currency slid as low as Frs.4.95 before steadying in the official Bourse trading session to between Frs.4.92 and Frs.4.93.

Dealers are cautiously saying that the slight recovery may herald a period of stability round to-night's closing rate, and have noted a slightly improved demand for francs from big corporations.

M. Raymond Barre, the Trade Minister, did his best to-day to allay fears about the impact of the drought—the factor that triggered the pressure — by affirming that France's agricultural trade would still be in surplus for 1976. Capital goods orders for industry totalled Frs.140bn. (£15.5bn.), equivalent to two years of exports, he said.

The central preoccupation of the French Government is how to get a better grip on inflation, forecast to reach 11 per cent. this year, double that of the U.S. and West Germany and not much better than the annual rate of 12 to 13 per cent. in Britain.

Domestic monetary policy is expected to tighten in the autumn as the recently-agreed lending ceilings begin to bite, while many bankers and foreign exchange specialists predict a rise in bank rate shortly from its present level of 8 per cent.

As for fiscal policy, the troubles of the franc have added to the urgency of the search of M. Jean Pierre Fourcade, the Finance Minister, for a strictly balanced 1977 Budget. President Giscard d'Estaing has pledged to keep growth in Government spending to the level of inflation.

The basic question asked on all sides is whether an incomes policy of some form can be introduced here, and if so how. Economists say that hourly wages probably rose at a 16 per cent. annual rate in the first half, faster than in most competitor countries.

Editorial comment, Page 14

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Steel

the BSC would now rework its figures on cost and demand and present the Government with its conclusions within a matter of "months rather than years or weeks."

The Government's decision is also likely to upset industry and unions in Wales. Both the Welsh TUC and CBI had pressed for the go-ahead to the Port Talbot plans while many of BSC's customers have also expressed worries about supplies of steel, particularly sheet, without such an investment.

The ensuing debate is now likely to concentrate on the question of whether BSC can, on commercial grounds, go ahead with replacement processing facilities at Port Talbot without an accompanying commitment to new facilities such as a blast furnace to raise steelmaking capacity.

Behind Mr. Varley's statement lies the belief that such processing facilities are needed to raise the quality of production but that increased total steel output may not be necessary and could only be introduced at the expense of existing plant.

BSC, on the other hand, is likely to argue that a decision on the two sites can be separated; that the investment in processing facilities at Port Talbot is uneconomic unless set against larger steel-making facilities; and that new steel-making plant is justified by the greater productivity and lower unit costs of modern furnaces.

Ian Hargreaves adds: Mr. Ian Kelsall, secretary of the Welsh region of the CBI, said the decision represented "rather less than half the loaf as far as Port Talbot is concerned. We badly need the full scheme, both from the point of view of improving the economy and securing the future of the industry."

The position in South Wales would be particularly difficult for engineering companies dependent upon BSC for subcontracting work. "The corporation has already withdrawn a lot of this work and many of the smaller companies were looking on the Port Talbot development as a lifeline."

Rank rejects resignation of Mr. Ogilvy

By Margaret Reid

MR. ANGUS OGILVY'S offer to resign as a director of Rank Organisation was rejected yesterday by the company's Board, which said it had been influenced in its decision not to accept the offer by its experience of Mr. Ogilvy as a valuable director over eight years.

Rank is the first company not to accept a resignation from Mr. Ogilvy, who said two weeks ago, after being criticised in the Department of Trade Inspectors' report on Lonrho, of which he was formerly a director, that he would give up all his directorships.

It appears that while Mr. Ogilvy resigned outright from the Boards of the Midland Bank and of Guardian Royal Exchange Assurance, in the case of Rank he offered to resign "so as to avoid any embarrassment to his colleagues." His fellow-directors at MEPC, the property group, where he has also offered to resign, will consider the matter at a Board meeting to-morrow.

Tyndale staff to be disciplined

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

TEACHERS, school managers, and education officials criticised by the Auld Report on the William Tyndale junior school in North London are all to be disciplined, except Mr. Harvey Hinds, the Labour councillor who heads the Inner London Education Authority's schools subcommittee.

The controlling Labour group on the ILEA has decided on this policy in advance of the schools subcommittee's official meeting on the report, which is due to take place tomorrow.

Mr. Hinds was blamed by the report for serious errors and a fundamentally illogical approach to the troubles at the school, whose roll fell from 230 pupils to 114 over two years before the ILEA took action.

But while the Labour group is demanding harsher measures against the criticised teachers and ILEA staff than were recommended by the authority's chief officer, it has passed a vote of confidence in Mr. Hinds, who is also Labour's chief whip on the Greater London Council. The voting was 21 to seven.

The move seems bound to sharpen the controversy over the junior school, whose head, Mr. Terry Ellis and senior teacher, Mr. Brian Haddow, were charged by Mr. Robin Auld, QC, with causing deterioration in pupils' behaviour and attainment. Five other full-time teachers were implicated, one of whom has since moved elsewhere.

Dr. Eric Briault, the ILEA chief officer, recommended that only Mr. Ellis and Mr. Haddow should be sent before a disciplinary tribunal. But the Labour group has decided that the other four remaining staff must also be disciplined.

Dr. Briault also recommended that no measures should be taken against the several ILEA administrators and inspectors blamed in the report. But the Labour group has told him to think again, and suggest appropriate disciplinary steps.

Weather

U.K. TO-DAY

CLOUDY with rain in places. Brighter weather will spread from the N.

London, E. Anglia
Cloudy with rain in places, becoming brighter.

S.E., Central S. and S.W. England
Cloudy with rain in places and fog patches, becoming brighter.

E. and W. Midlands, S. Wales
Mostly dry, sunny periods.

E., N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands
Bright periods and occasional showers. Max. 16C (61F).

Channel Is.
Rather cloudy, occasional rain or drizzle, fog patches.

N. Wales, N.W., Cent. N. England, Lakes
Sunny periods, isolated showers. Max. 17C (63F).

I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland
Sunny periods, isolated showers. Max. 15C (59F).

Outlook: Mainly dry with sunny spells.

Lighting-up: London 21.36, Manchester 21.54, Glasgow 22.16, Belfast 22.16.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alexandria	F	29	84	Madrid	S	29	84
Amstrdm.	C	21	70	Manchstr.	R	16	61
Barcelona	F	27	81	Melbourne	C	14	57
Belfast	C	15	59	Milan	S	28	82
Belgrade	F	31	88	Moscow	R	15	59
Berlin	F	27	81	Munich	S	29	84
B'ham	C	19	66	Newcastle	C	20	68
Bristol	R	18	64	Oslo	S	23	73
Brussels	S	25	77	Paris	S	26	79
Budapest	S	32	90	Perth	C	21	70
Cardiff	R	18	64	Prague	S	32	90
Cologne	F	26	79	Reykjavik	F	12	54
Copnhagn.	S	23	73	Rome	F	29	84
Dublin	C	16	61	Stockholm	S	22	72
Edinburgh	C	16	61	Strasbourg	F	25	77
Frankfurt	S	29	84	Sydney	C	16	61
Geneva	C	26	79	Tel Aviv	F	28	82
Glasgow	C	16	61	Vienna	F	23	73
Helsinki	F	23	73	Warsaw	C	27	81
London	C	22	72	Zurich	F	26	79
Luxembrg.	S	25	77				

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	S	26	79	Jersey	C	20	68
Biarritz	F	22	72	Las Plms.	S	25	77
Blackpool	C	17	63	Locarno	C	22	72
Bordeaux	C	24	75	Majorca	F	30	86
Boulogne	C	22	72	Malaga	S	28	82
Casablnca.	S	25	77	Naples	F	28	82
Corfu	S	30	86	Nice	S	25	77
Dubrovnik	S	28	82	Oporto	S	30	86
Faro	S	30	86	Rhodes	S	31	88
Funchal	F	24	75	Salzburg	S	30	86
Gibraltar	F	24	75	Tangier	S	30	86
Guernsey	R	17	63	Tenerife	F	20	68
Innsbruck	C	26	79	Tunis	F	29	84
Inverness	F	15	59	Valencia	F	28	82
Is. of Man	C	17	63	Venice	S	30	86
Istanbul	F	25	77				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

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